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2003-2004/23

National Defense Authorization

**NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2005—H.R. 4200**

AND

**OVERSIGHT OF PREVIOUSLY AUTHORIZED  
PROGRAMS**

BEFORE THE

**COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED EIGHTH CONGRESS**

SECOND SESSION

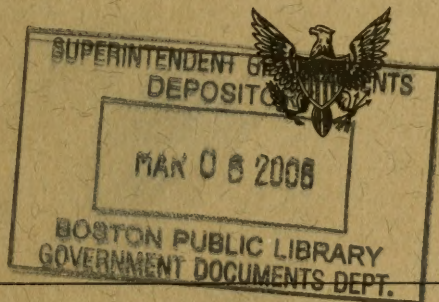
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**READINESS SUBCOMMITTEE**

ON

**TITLE III—OPERATION AND  
MAINTENANCE  
DIVISION B—MILITARY CONSTRUCTION  
AUTHORIZATIONS**

—  
HEARINGS HELD

FEBRUARY 26, MARCH 4, 11, 18, 24, AND 30, 2004







HEARING  
ON  
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FEBRUARY 26, MARCH 4, 11, 18, 24, AND 30, 2004



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# CONTENTS

## CHRONOLOGICAL LIST OF HEARINGS

2004

	Page
HEARINGS:	
Thursday, February 26, 2004, Fiscal Year 2005 National Defense Authorization Act—Military Construction Budget Request for Programs of the Office of the Secretary of Defense, the Defense Agencies, and the Active and Reserve Components of the Department of the Air Force .....	1
Thursday, March 4, 2004, Fiscal Year 2005 National Defense Authorization Act—Military Construction Budget Request for Programs of the Active and Reserve Components of the Departments of the Army and Navy .....	89
Thursday, March 11, 2004, Fiscal Year 2005 National Defense Authorization Act—Adequacy of the Fiscal Year 2005 Budget to Meet Readiness Needs .....	193
Thursday, March 18, 2004, Fiscal Year 2005 National Defense Authorization Act—Training Transformation: Examination of the Joint National Training Capability, joint with Terrorism, Unconventional Threats and Capabilities Subcommittee .....	309
Thursday, March 24, 2004, Fiscal Year 2005 National Defense Authorization Act—Prepositioning Equipment Programs of the U.S. Army and the U.S. Marine Corps .....	431
Tuesday, March 30, 2004, Fiscal Year 2005 National Defense Authorization Act—Logistics: Lessons from OPERATION IRAQI FREEDOM and Logistics Transformation .....	525
APPENDIXES:	
Thursday, February 26, 2004 .....	39
Thursday, March 4, 2004 .....	133
Thursday, March 11, 2004 .....	221
Thursday, March 18, 2004 .....	347
Thursday, March 24, 2004 .....	455
Tuesday, March 30, 2004 .....	559

## THURSDAY, FEBRUARY 26, 2004

### FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—MILITARY CONSTRUCTION BUDGET REQUEST FOR PROGRAMS OF THE OFFICE OF THE SECRETARY OF DEFENSE, THE DEFENSE AGENCIES, AND THE ACTIVE AND RESERVE COMPONENTS OF THE DEPARTMENT OF THE AIR FORCE

#### STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Hefley, Hon. Joel, a Representative from Colorado, Chairman, Readiness Subcommittee .....	1
Ortiz, Hon. Solomon P., a Representative from Texas, Ranking Member, Readiness Subcommittee .....	2

#### WITNESSES

Brubaker, Brig. Gen. David A., Deputy Director, Air National Guard .....	29
DuBois, Raymond F., Deputy Under Secretary of Defense for Installation and Environment .....	4

# IV

	Page
Fox, Maj. Gen. Dean, The Air Force Civil Engineer .....	29
Gibbs, Hon. Nelson F., Assistant Secretary of the Air Force, Installations, Environment, and Logistics .....	28
Rajczak, Brig. Gen. William A., Deputy to the Chief of Air Force Reserve .....	30

## APPENDIX

### PREPARED STATEMENTS:

DuBois, Hon. Raymond F. ....	56
Gibbs, Hon. Nelson F. ....	43

### DOCUMENTS SUBMITTED FOR THE RECORD:

[There were no Documents submitted.]

### QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD:

Mr. Abercrombie .....	87
Mr. Hefley .....	81
Mr. Ortiz .....	84
Dr. Snyder .....	87
Mr. Taylor .....	86

## THURSDAY, MARCH 4, 2004

### FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—MILITARY CONSTRUCTION BUDGET REQUEST FOR PROGRAMS OF THE ACTIVE AND RESERVE COMPONENTS OF THE DEPARTMENTS OF THE ARMY AND NAVY

#### STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Hefley, Hon. Joel, a Representative from Colorado, Chairman, Readiness Subcommittee .....	89
Ortiz, Hon. Solomon P., a Representative from Texas, Ranking Member, Readiness Subcommittee .....	91

#### WITNESSES

Johnson, Hon. H.T., Assistant Secretary of the Navy, Installations and Environment .....	112
Prosch, Geoffrey G., Acting Assistant Secretary of the Army, Installations and Environment; Maj. Gen. Larry J. Lust, Assistant Chief of Staff for Installation Management, United States Army; Maj. Gen. Walter Pudlowski, Special Assistant to the Director, Army National Guard and Brig. Gen. Gary M. Profit, Deputy Chief, Army Reserve .....	93
Weaver, Rear Adm. Christopher, Commander, Navy Installations .....	115
Williams, Brig. Gen. Willie J., Assistant Deputy Commandant, Installations and Logistics (Facilities), United States Marine Corps .....	116

## APPENDIX

### PREPARED STATEMENTS:

Johnson, Hon. H.T. ....	157
Prosch, Geoffrey G., joint with Maj. Gen. Larry J. Lust; Maj. Gen. Walter F. Pudlowski; Brig. Gen. Gary M. Profit .....	137

### DOCUMENTS SUBMITTED FOR THE RECORD:

[There were no Documents submitted.]

### QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD:

Ms. Davis (Susan) .....	191
Mr. Hayes .....	190
Mr. Hefley .....	185
Mr. LoBiondo .....	191



## QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD—CONTINUED

Mr. Taylor .....	189
------------------	-----

## THURSDAY, MARCH 11, 2004

## FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—ADEQUACY OF THE FISCAL YEAR 2005 BUDGET TO MEET READINESS NEEDS

## STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Hefley, Hon. Joel, a Representative from Colorado, Chairman, Readiness Subcommittee .....	193
Ortiz, Hon. Solomon P., a Representative from Texas, Ranking Member, Readiness Subcommittee .....	194

## WITNESSES

Casey, Gen. George W., Jr., Vice Chief of Staff, Army, Department of the Army .....	196
Huly, Lt. Gen. Jan C., Deputy Commandant for Plans, Policy and Operations, United States Marine Corps .....	202
Moseley, Gen. T. Michael, Vice Chief of Staff, Air Force, Department of the Air Force .....	200
Mullen, Adm. Michael G., Vice Chief of Naval Operations, Department of the Navy .....	197

## APPENDIX

## PREPARED STATEMENTS:

Casey, Gen. George W., Jr. ....	225
Huly, Lt. Gen. Jan C. ....	283
Moseley, Gen. T. Michael ....	261
Mullen, Adm. Michael G. ....	235

## DOCUMENTS SUBMITTED FOR THE RECORD:

[There were no Documents submitted.]

## QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD:

Mr. Hefley .....	307
Dr. Snyder .....	308

## THURSDAY, MARCH 18, 2004

## FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—TRAINING TRANSFORMATION: EXAMINATION OF THE JOINT NATIONAL TRAINING CAPABILITY

## STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Hefley, Hon. Joel, a Representative from Colorado, Chairman, Readiness Subcommittee .....	309
Ortiz, Hon. Solomon P., a Representative from Texas, Ranking Member, Readiness Subcommittee .....	310

## WITNESSES

Bailey, Michael P., Ph.D., Technical Director, Technology Division, Training and Education Command, U.S. Marine Corps .....	318
Hart, Rear Adm. David T., Jr., Director, Fleet Readiness Division, Department of the Navy .....	316
Mayberry, Hon. Paul, Deputy Under Secretary of Defense (Readiness) .....	311
Nash, Maj. Gen. Gordon, U.S. Marine Corps, Commander, Joint Warfighting Center, Director, Joint Training, U.S. Joint Forces Command .....	313
Seip, Brig. Gen. Norman, Deputy Director, Operations and Training, Deputy Chief of Staff, Air and Space Operations, Department of the Air Force .....	317

Weber, Brig. Gen. Louis W., Director of Training, Directorate, Department of the Army .....	315
---	-----

## APPENDIX

## PREPARED STATEMENTS:

Bailey, Dr. Michael P. ....	400
Hart, Adm. David T., Jr. ....	351
Mayberry, Dr. Paul W. ....	363
Nash, Maj. Gen. Gordon C. ....	375
Seip, Brig. Gen. Norman R. ....	405
Weber, Brig. Gen. Louis W. ....	397

## DOCUMENTS SUBMITTED FOR THE RECORD:

[There were no Documents submitted.]

## QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD:

Mr. Hefley .....	411
Mr. Miller .....	428
Mr. Saxton .....	428

## THURSDAY, MARCH 24, 2004

# FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT— PREPOSITIONING EQUIPMENT PROGRAMS OF THE U.S. ARMY AND THE U.S. MARINE CORPS

## STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Hefley, Hon. Joel, a Representative from Colorado, Chairman, Readiness Subcommittee .....	431
Ortiz, Hon. Solomon P., a Representative from Texas, Ranking Member, Readiness Subcommittee .....	432

## WITNESSES

Johnson, Brig. Gen. Jerome, Director for Plans, Operations and Readiness, Department of the Army; Brig. Gen. Kevin T. Ryan, Director of Strategy, Plans and Policy, Department of the Army; Brig. Gen. Robert B. Neller, Director, Operations Division (PO), Plans, Policy and Operations, U.S. Marine Corps; Mr. Eric Peltz, Associate Director, Military Logistics Program, Rand Corporation Arroyo Center and Mr. William M. Solis, Director, Defense Capabilities and Management, U.S. General Accounting Office .....	433
--	-----

## APPENDIX

## PREPARED STATEMENTS:

Johnson, Brig. Gen. Jerome joint with Brig. Gen. Kevin T. Ryan .....	459
Neller, Brig. Gen. Robert B. ....	472
Peltz, Eric .....	485
Solis, William M. ....	498

## DOCUMENTS SUBMITTED FOR THE RECORD:

[There were no Documents submitted.]

## QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD:

Mr. McKeon .....	522
------------------	-----



Mr. Taylor .....	521
------------------	-----

**FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—LOGISTICS: LESSONS FROM OPERATION IRAQI FREEDOM AND LOGISTICS TRANSFORMATION**

Hefley, Hon. Joel, a Representative from Colorado, Chairman, Readiness Subcommittee .....	525
Ortiz, Hon. Solomon P., a Representative from Texas, Ranking Member, Readiness Subcommittee .....	526

Christianson, Lt. Gen. Claude V., Deputy Chief of Staff, G4, Department of the Army .....	529
Dail, Maj. Gen. Robert T., Director of Operations, TCJ3, United States Transportation Command .....	531
Lippert, Vice Adm. Keith W., Director, Defense Logistics Agency .....	527
Usher, Brig. Gen. Edward G., III, Assistant Deputy Commandant for Installations and Logistics, U.S. Marine Corps .....	532

Christianson, Lt. Gen. Claude V. ....	580
Dail, Maj. Gen. Robert T. ....	563
Lippert, Vice Adm. Keith W. ....	571
Usher, Brig. Gen. Edward G. ....	595

[There were no Documents submitted.]

[There were no Questions submitted.]





**H. R. 4200**

To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2005, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2004

MR. HUNTER (for himself and Mr. SKELTON) (both by request) introduced the following bill; which was referred to the Committee on Armed Services

---

**A BILL**

To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2005, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “National Defense Authorization Act for Fiscal Year 2005”.

\* \* \* \* \*

**TITLE III—OPERATION AND MAINTENANCE**

**Subtitle A—Authorization of Appropriations**

**SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

- (1) For the Army, \$26,133,411,000.
- (2) For the Navy, \$29,789,190,000.
- (3) For the Marine Corps, \$3,632,115,000.
- (4) For the Air Force, \$28,471,260,000.
- (5) For the Defense-wide activities, \$17,494,076,000.
- (6) For the Army Reserve, \$2,008,128,000.
- (7) For the Naval Reserve, \$1,240,038,000.
- (8) For the Marine Corps Reserve, \$188,696,000.
- (9) For the Air Force Reserve, \$2,239,790,000.
- (10) For the Army National Guard, \$4,440,686,000.
- (11) For the Air National Guard, \$4,422,838,000.
- (12) For the United States Court of Appeals for the Armed Forces, \$10,825,000.
- (13) For Environmental Restoration, Army, \$400,948,000.

- (14) For Environmental Restoration, Navy, \$266,820,000.
- (15) For Environmental Restoration, Air Force, \$397,368,000.
- (16) For Environmental Restoration, Defense-wide, \$23,684,000.
- (17) For Environmental Restoration, Formerly Used Defense Sites, \$216,516,000.
- (18) For Overseas Humanitarian, Disaster, and Civic Aid programs, \$59,000,000.
- (19) For Cooperative Threat Reduction programs, \$409,200,000.
- (20) For Overseas Contingency Operations Transfer Fund, \$30,000,000.

#### SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

- (1) For the Defense Working Capital Funds, \$1,685,886,000.
- (2) For the National Defense Sealift Fund, \$1,269,252,000.

#### SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2005 from the Armed Forces Retirement Home Trust Fund the sum of \$61,195,000 for the operation of the Armed Forces Retirement Home.

#### SEC. 304. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for the Defense Health Program, \$17,640,411,000, of which—

- (1) \$17,203,369,000 is for Operation and Maintenance;
- (2) \$72,407,000 is for Research, Development, Test, and Evaluation; and
- (3) \$364,635,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION.—(1) Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, \$1,371,990,000, of which—

- (A) \$1,138,801,000 is for Operation and Maintenance;
- (B) \$154,209,000 is for Research, Development, Test, and Evaluation; and
- (C) \$78,980,000 is for Procurement.

(2) Amounts authorized to be appropriated under paragraph (1) are authorized for—

(A) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(B) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, \$852,697,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, \$244,562,000, of which—

- (1) \$242,362,000 is for Operation and Maintenance;
- (2) \$100,000 is for Research, Development, Test, and Evaluation; and
- (3) \$2,100,000 is for Procurement.

## Subtitle B—Environmental Provisions

#### SEC. 311. PAYMENT OF PRIVATE CLEANUP COSTS.

(a) AUTHORITY TO PAY FOR SERVICES.—Section 2701(d) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking “tribe,” both places it appears and inserting “tribe, owner of covenant property,”; and

(2) in paragraph (4), by adding at the end the following new subparagraph: “(C) The term ‘owner of covenant property’ means an owner of property subject to a covenant provided by the United States in accordance with the requirements of section 120(h)(3)(A)(ii)(II) of CERCLA: *Provided, however*, That the covenant property also is the site of the services to be performed.”.



(b) SOURCE OF FUNDS FOR COVENANT PROPERTY.—Section 2703 of such title is amended—

(1) in subsection (g)(1), by striking “The” and inserting “Except as provided in subsection (h), the”; and

(2) by adding at the end the following new subsection:

“(h) SOLE SOURCE OF FUNDS FOR ENVIRONMENTAL REMEDIATION SERVICES AT BASE REALIGNMENT AND CLOSURE SITES.—In the case of property disposed of in accordance with a base closure law, the sole source of funds for services obtained under section 2701(d)(1) of this title shall be the applicable base closure account established under such base closure law.”.

**SEC. 312. REIMBURSEMENT TO THE ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH THE MOSES LAKE, WASHINGTON SUPERFUND SITE.**

(a) AUTHORITY.—Using funds described in subsection (b), the Secretary of Defense may transfer not more than \$524,926.54 to the Moses Lake Wellfield Superfund Site 10–6J Special Account. This payment is to reimburse the United States Environmental Protection Agency for its costs including interest incurred in overseeing a remedial investigation/feasibility study performed by the Department of the Army under the Defense Environmental Restoration Program at the former Larson Air Force Base, Moses Lake Superfund Site, Moses Lake, Washington. Such reimbursement is provided for in the Interagency Agreement entered into by the Department of the Army and the Environmental Protection Agency for the Moses Lake Site, in March, 1999.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using funds authorized to be appropriated by paragraph 18 of section 301 of this act for Environmental Restoration, Formerly Used Defense Sites. EPA shall retain and use the transferred amount to pay for costs the Agency has incurred or will incur at the Moses Lake Wellfield Superfund site.

## Subtitle C—Workplace and Depot Issues

**SEC. 321. EXCLUSION OF CERTAIN EXPENDITURES FROM PERCENTAGE –LIMITATION ON CONTRACTING FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.**

Section 2474(f)(1) of title 10, United States Code, is amended by striking “under any contract entered into during fiscal years 2003 through 2006”.

\* \* \* \* \*

## DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

**SEC. 2001. SHORT TITLE.**

This division may be cited as the “Military Construction Authorization Act for Fiscal Year 2005”.

## TITLE XXI—ARMY

**SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.**

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

### Army: Inside the United States

State	Installation or location	Amount
Alabama .....	Anniston Army Depot .....	23,690,000
Alaska .....	Fort Richardson .....	24,300,000
	Fort Wainwright .....	92,459,000
California .....	Fort Irwin .....	38,100,000
Colorado .....	Fort Carson .....	47,108,000

**Army: Inside the United States—Continued**

State	Installation or location	Amount
Georgia .....	Fort Benning .....	71,777,000
	Fort Gillem .....	5,800,000
	Fort McPherson .....	4,900,000
	Fort Stewart/Hunter Army Air Field .....	65,495,000
Hawaii .....	Healemano Military Reservation .....	75,300,000
	Hickam Air Force .....	11,200,000
	Pohakuloa Training Area .....	30,000,000
	Schofield Barracks .....	187,792,000
	Wheeler Army Air Field .....	24,000,000
	Fort Riley .....	44,050,000
Kansas .....	Fort Campbell .....	89,600,000
Kentucky .....	Fort Knox .....	72,000,000
	Fort Polk .....	70,953,000
Louisiana .....	Fort Leonard Wood .....	17,750,000
Missouri .....	White Sands Missile Range .....	33,000,000
New Mexico .....	Fort Drum .....	4,950,000
New York .....	Fort Hamilton .....	7,600,000
	Military Entrance Processing Station, Buffalo .....	6,200,000
	United States Military Academy, West Point .....	60,000,000
	Fort Bragg .....	101,687,000
North Carolina .....	Fort Sill .....	14,400,000
Oklahoma .....	Fort Bliss .....	16,500,000
Texas .....	Fort Hood .....	78,088,000
	Fort A.P. Hill .....	3,975,000
Virginia .....	Fort Myer .....	49,526,000
Washington .....	Fort Lewis .....	48,000,000
Total .....		1,420,200,000

(b) **OUTSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

**Army: Outside the United States**

Country	Installation or location	Amount
Germany .....	Grafenwoehr .....	77,200,000
Italy .....	Livorno .....	26,000,000
Korea .....	Camp Humphreys .....	12,000,000
Total .....		115,200,000

**SEC. 2102. FAMILY HOUSING.**

(a) **CONSTRUCTION AND ACQUISITION.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes and in the amounts, set forth in the following table:

**Army: Family Housing**

State	Installation or location	Purpose	Amount
Alaska .....	Fort Richardson .....	92 Units .....	42,000,000
	Fort Wainwright .....	246 Units .....	124,000,000
Arizona .....	Fort Huachuca .....	205 Units .....	41,000,000
	Yuma Proving Ground .....	55 Units .....	14,900,000
Kansas .....	Fort Riley .....	126 Units .....	33,000,000
New Mexico .....	White Sands Missile Range .....	156 Units .....	31,000,000
Oklahoma .....	Fort Sill .....	247 Units .....	47,000,000



## Army: Family Housing—Continued

State	Installation or location	Purpose	Amount
Virginia .....	Fort Lee .....	218 Units .....	46,000,000
	Fort Monroe .....	68 Units .....	16,000,000
	Total .....	.....	394,900,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(4)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed \$29,209,000.

**SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.**

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed \$211,990,000.

**SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.**

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition and military family housing functions of the Department of the Army in the total amount of \$3,336,291,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), \$1,250,700,000.

(2) For military construction projects outside the United States authorized by section 2101(b), \$115,200,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, \$20,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$151,335,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, \$636,099,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), \$928,907,000.

(6) For the construction of phase 2 of a barracks complex, 5th & 16th Street, at Ft. Stewart/Hunter Army Air Field, Georgia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), \$32,950,000.

(7) For the construction of phase 3 of a barracks complex renewal, Capron Road, at Schofield Barracks, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1283) and as amended by section 2105 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), \$48,000,000.

(8) For the construction of phase 2 of the Lewis & Clark instructional facility at Fort Leavenworth, Kansas, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), \$44,000,000.

(9) For the construction of phase 2 of a barracks complex at Wheeler Sack Army Air Field at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), \$48,000,000.

(10) For the construction of phase 2 of a barracks complex, Bastogne Drive, Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), \$48,000,000.

(11) For the construction of phase 3 of a maintenance complex at Fort Sill, Oklahoma, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), \$13,100,000.

## TITLE XXII—NAVY

### SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

#### Navy: Inside the United States

State	Installation or location	Amount
Arizona .....	Marine Corps Air Station, Yuma .....	26,670,000
California .....	Marine Corps Base, Camp Pendleton .....	38,455,000
	Naval Air Facility, El Centro .....	54,331,000
Connecticut .....	Naval Submarine Base, New London .....	45,882,000
District of Columbia .....	Naval Observatory, Washington .....	3,239,000
Florida .....	Eglin Air Force Base .....	2,060,000
	Naval Station, Mayport .....	6,200,000
Georgia .....	Strategic Weapons Facility Atlantic, Kings Bay .....	16,000,000
Illinois .....	Naval Training Station, Great Lakes .....	10,000
	Recruit Training Command, Great Lakes .....	74,771,000
Maryland .....	Naval Surface Warfare Center, Indian Head .....	13,900,000
North Carolina .....	Marine Corps Air Station, New River .....	35,140,000
	Marine Corps Base, Camp Lejeune .....	6,420,000
	Washington County .....	136,900,000
Virginia .....	Camp Elmore Marine Corps Detachment .....	13,500,000
	Marine Corps Base, Quantico .....	41,800,000
	Naval Air Station, Oceana .....	2,770,000
	Naval Amphibious Base, Little Creek .....	2,850,000
	Naval Station, Norfolk .....	4,330,000
	Naval Weapons Station, Yorktown .....	9,870,000
Washington .....	Naval Shipyard Puget Sound, Bremerton .....	20,305,000
	Naval Station, Bremerton .....	74,125,000
	Strategic Weapons Facility Pacific, Bangor .....	131,090,000
	<b>Total .....</b>	<b>760,618,000</b>

(b) **OUTSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

#### Navy: Outside the United States

Country	Installation or location	Amount
Bahamas .....	Naval Undersea Warfare Center, Andros Islands .....	20,750,000
Diego Garcia .....	Naval Support Facility, Diego Garcia .....	17,500,000
Guam .....	Naval Station, Guam .....	12,500,000
Guam .....	Naval Public Works Center, Guam .....	20,700,000
Italy .....	Sigonella .....	22,550,000
Spain .....	Naval Station, Rota .....	32,700,000
	<b>Total .....</b>	<b>126,700,000</b>

(c) **UNSPECIFIED WORLDWIDE.**—Using the amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(3), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations and in the amount, set forth in the following table:



**Navy: Unspecified Worldwide**

Location	Installation or location	Amount
Worldwide Unspecified .....	Unspecified Worldwide .....	158,640,000
	Total .....	158,640,000

**SEC. 2202. FAMILY HOUSING.**

Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes and in the amounts, set forth in the following table:

**Navy: Family Housing**

State	Installation or location	Purpose	Amount
North Carolina .....	Marine Corps Air Station, Cherry Point .....	198 Units .....	27,002,000
	Total .....	.....	27,002,000

**SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.**

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed \$112,105,000.

**SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of \$1,904,066,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), \$621,238,000.

(2) For military construction projects outside the United States authorized by section 2201(b), \$126,700,000.—

(3) For the military construction projects at unspecified worldwide locations authorized by section 2201(c), \$98,560,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, \$12,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$87,067,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, \$139,107,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$704,504,000.

(7) For the construction of increment 2 of the tertiary sewage treatment plant at Marine Corps Base, Camp Pendleton, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1703), \$25,690,000.

(8) For the construction of increment 2 of the general purpose berthing pier at Naval Weapons Station, Earle, New Jersey, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), \$49,200,000.

(9) For the construction of increment 2 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), \$40,000,000.

## TITLE XXIII—AIR FORCE

### SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

**Air Force: Inside the United States**

State	Installation or location	Amount
Alaska .....	Elmendorf Air Force Base .....	26,057,000
Arizona .....	Davis-Monthan Air Force Base .....	10,029,000
	Luke Air Force Base .....	10,000,000
Arkansas .....	Little Rock Air Force Base .....	5,031,000
California .....	Beale Air Force Base .....	10,186,000
	Edwards Air Force Base .....	9,965,000
	Travis Air Force Base .....	15,244,000
Colorado .....	Buckley Air Force Base .....	12,247,000
Florida .....	Tyndall Air Force Base .....	18,962,000
Georgia .....	Robins Air Force Base .....	15,000,000
Hawaii .....	Hickam Air Force Base .....	25,900,000
Louisiana .....	Barksdale Air Force Base .....	13,800,000
Maryland .....	Andrews Air Force Base .....	17,100,000
North Carolina .....	Pope Air Force Base .....	15,150,000
South Carolina .....	Shaw Air Force Base .....	3,300,000
Tennessee .....	Arnold Air Force Base .....	22,000,000
Texas .....	Lackland Air Force Base .....	2,596,000
	Sheppard Air Force Base .....	50,284,000
Utah .....	Hill Air Force Base .....	13,113,000
	Total .....	295,964,000

(b) **OUTSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

**Air Force: Outside the United States**

Country	Installation or location	Amount
Germany .....	Ramstein Air Base .....	25,404,000
Greenland .....	Thule Air Base .....	19,800,000
Guam .....	Andersen Air Base .....	19,593,000
Italy .....	Aviano Air Base .....	6,760,000
Japan .....	Misawa Air Base .....	6,700,000
Korea .....	Kunsan Air Base .....	37,100,000
	Osan Air Base .....	18,600,000
Portugal .....	Lajes Field, Azores .....	5,689,000
Spain .....	Naval Station, Rota .....	14,153,000
United Kingdom .....	Royal Air Force Lakenheath .....	5,500,000
	Total .....	159,299,000

(c) **UNSPECIFIED WORLDWIDE.**—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations, and in the amount, set forth in the following table:



**Air Force: Unspecified Worldwide**

Location	Installation or location	Amount
Worldwide Classified .....	Worldwide Unspecified Classified .....	28,090,000
Worldwide Unspecified .....	Worldwide Unspecified .....	26,825,000
	Total .....	54,915,000

**SEC. 2302. FAMILY HOUSING.**

(a) **CONSTRUCTION AND ACQUISITION.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes and in the amounts, set forth in the following table:

**Air Force: Family Housing**

State	Installation or location	Purpose	Amount
Arizona .....	Davis-Monthan Air Force Base .....	250 Units .....	48,500,000
California .....	Edwards Air Force Base .....	218 Units .....	41,202,000
	Vandenberg Air Force Base .....	120 Units .....	30,906,000
Florida .....	MacDill Air Force Base .....	61 Units .....	21,723,000
	MacDill Air Force Base .....	Housing Maintenance Facility.	1,250,000
Idaho .....	Mountain Home Air Force Base .....	147 Units .....	39,333,000
Mississippi .....	Columbus Air Force Base .....	Family Housing Management Facility.	711,000
Missouri .....	Whiteman Air Force Base .....	160 Units .....	37,087,000
Montana .....	Malmstrom Air Force Base .....	115 Units .....	29,910,000
North Carolina .....	Seymour Johnson Air Force Base .....	167 Units .....	32,693,000
North Dakota .....	Grand Forks Air Force Base .....	90 Units .....	26,169,000
	Minot Air Force Base .....	142 Units .....	37,087,000
South Carolina .....	Charleston Air Force Base .....	Fire Station .....	1,976,000
South Dakota .....	Ellsworth Air Force Base .....	75 Units .....	21,482,000
Texas .....	Dyess Air Force Base .....	127 Units .....	28,664,000
	Goodfellow Air Force Base .....	127 Units .....	20,604,000
Germany .....	Ramstein Air Base .....	144 Units .....	57,691,000
Italy .....	Aviano Air Base .....	FH Office .....	2,542,000
Korea .....	Osan Air Base .....	117 Units .....	46,834,000
United Kingdom .....	Royal Air Force Lakenheath .....	154 Units .....	43,976,000
	Total .....		570,340,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed \$38,266,000.

**SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.**

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed \$238,353,000.

**SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.**

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of \$2,374,819,000, as follows:—

(1) For military construction projects inside the United States authorized by section 2301(a), \$295,964,000.

(2) For military construction projects outside the United States authorized by section 2301(b), \$159,299,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), \$54,915,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, \$13,000,000.

(5) For architectural and engineering services and construction design, under section 2807 of title 10, United States Code, \$140,786,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, \$846,959,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$863,896,000.

## TITLE XXIV—DEFENSE AGENCIES

### SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

#### Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Intelligence Agency .....	Bolling Air Force Base, District of Columbia .....	6,000,000
Defense Logistics Agency .....	Columbus, Ohio .....	5,500,000
	Defense Distribution Depot, New Cumberland, Pennsylvania .....	22,300,000
	Defense Distribution Depot, Richmond, Virginia .....	10,100,000
	Defense Fuel Support Point, Naval Air Station, Oceana, Virginia .....	3,589,000
	Marine Corps Air Station, Cherry Point, North Carolina .....	22,700,000
	Naval Air Station, Kingsville, Texas .....	3,900,000
	Naval Station, Pearl Harbor, Hawaii .....	3,500,000
	Tinker Air Force Base, Oklahoma .....	5,400,000
	Travis Air Force Base, California .....	15,100,000
Missile Defense Agency .....	Huntsville, Alabama .....	19,560,000
National Security Agency .....	Fort Meade, Maryland .....	15,007,000
Special Operations Command .....	Corona, California .....	13,600,000
	Fleet Combat Training Center, Dam Neck, Virginia .....	5,700,000
	Fort A.P. Hill, Virginia .....	1,500,000
	Fort Bragg, North Carolina .....	42,888,000
	Fort Stewart/Hunter Army Air Field, Georgia .....	17,600,000
	Naval Air Station, North Island, California .....	1,000,000
	Naval Amphibious Base, Little Creek, Virginia .....	24,200,000
Tri-Care Management Activity .....	Buckley Air Force Base, Colorado .....	2,100,000
	Fort Belvoir, Virginia .....	100,000,000
	Fort Benning, Georgia .....	7,100,000
	Jacksonville, Florida .....	28,438,000
	Langley Air Force Base, Virginia .....	50,800,000
	Marine Corps Recruit Depot, Parris Island, South Carolina ..	25,000,000
	Total .....	452,582,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

#### Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity .....	Grafenwoehr, Germany .....	36,247,000
	Naval Station, Guam .....	26,964,000
	Vilseck, Germany .....	9,011,000

**Defense Agencies: Outside the United States—Continued**

Agency	Installation or location	Amount
Defense Logistics Agency .....	Defense Fuel Support Point, Lajes Field, Portugal .....	19,113,000
	Misawa Air Base, Japan .....	19,900,000
Special Operations Command .....	Naval Station, Guam, Marianas Islands .....	2,200,000
	Royal Air Force, Mildenhall, United Kingdom .....	10,200,000
Tri-Care Management Activity .....	Diego Garcia .....	3,800,000
	Grafenwoehr, Germany .....	13,000,000
	Total .....	140,435,000

(c) **UNSPECIFIED WORLDWIDE.**—Using the amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(3), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations, and in the amount, set forth in the following table:

**Defense Agencies: Unspecified Worldwide**

Location	Installation or location	Amount
Worldwide Classified .....	Worldwide Unspecified Classified .....	7,400,000
Worldwide Unspecified .....	Worldwide Unspecified .....	2,900,000
	Total .....	10,300,000

**SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.**

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed \$49,000.

**SEC. 2403. ENERGY CONSERVATION PROJECTS.**

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(7), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of \$60,000,000.

**SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.**

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of \$1,163,477,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), \$395,582,000.

(2) For military construction projects outside the United States authorized by section 2401(b), \$140,435,000.—

(3) For the military construction projects at unspecified worldwide locations authorized by section 2401(c), \$10,300,000.

(4) For unspecified minor military construction projects under section 2805 of title 10, United States Code, \$20,938,000.

(5) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, \$10,000,000.

(6) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$62,182,000.

(7) For Energy Conservation projects authorized by section 2404 of this Act, \$60,000,000.

(8) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), \$246,116,000.

(9) For military family housing functions:

(A) For improvement of military family housing and facilities, \$49,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$49,575,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, \$2,500,000.



## **TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM**

### **SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.**

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

### **SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.**

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment Program authorized by section 2501, in the amount of \$165,800,000.

## **TITLE XXVI—CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE**

### **SEC. 2601. AUTHORIZATION OF APPROPRIATIONS, CHEMICAL DEMILITARIZATION.**

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction and land acquisition for Chemical Demilitarization in the total amount of \$81,886,000, as follows:

(1) For the construction of phase 6 of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104-201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106-65; 113 Stat. 839), and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107-314; 116 Stat. 2697), \$44,792,000.

(2) For the construction of phase 5 of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106-65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107-107; 115 Stat. 1298), and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107-314; 116 Stat. 2697), \$37,094,000.

## **TITLE XXVII—GUARD AND RESERVE FORCES FACILITIES**

### **SEC. 2701. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.**

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, \$265,657,000; and

(B) for the Army Reserve, \$87,070,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, \$25,285,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, \$127,368,000; and

(B) for the Air Force Reserve, \$84,556,000.

# TITLE XXVIII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

## SEC. 2801. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVII for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2007; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2007; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2008 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

## SEC. 2802. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), authorizations set forth in the tables in subsection (b), as provided in sections 2101, 2302, and 2601 of that Act, shall remain in effect until October 1, 2005, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

**Army: Extension of 2002 Project Authorizations**

State	Installation or location	Project	Amount
Alaska .....	Fort Wainwright .....	Power Plant Cooling Tower	23,000,000
Hawaii .....	Pohakuloa Training Area .....	Parker Ranch Land Acquisition.	1,500,000

**Air Force: Extension of 2002 Project Authorizations**

State	Installation or location	Project	Amount
Colorado .....	Buckley Air Force Base .....	Construct Family Housing (55 Units).	11,400,000
Idaho .....	Mountain Home Air Force Base .....	Replace Family Housing (56 Units).	10,000,000
Louisiana .....	Barksdale Air Force Base .....	Replace Family Housing (56 Units).	7,300,000

**Army National Guard: Extension of 2002 Project Authorizations**

State	Installation or location	Project	Amount
California .....	Lancaster .....	Readiness Center (ADRS) ...	4,530,000
Massachusetts .....	Framingham .....	Organizational Maintenance Shop.	8,347,000

**SEC. 2803. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2001 PROJECTS.**

(a) **EXTENSION.**—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of Public Law 106–398; 114 Stat. 1654A–389), authorizations set forth in the tables in subsection (b), as provided in sections 2102 and 2401 of that Act, shall remain in effect until October 1, 2005, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006, whichever is later.

(b) **TABLES.**—The tables referred to in subsection (a) are as follows:

**Army: Extension of 2001 Project Authorization**

State	Installation or location	Project	Amount
South Carolina .....	Fort Jackson .....	New Construction—Family Housing (1 unit).	250,000

**Defense Agency: Extension of 2001 Project Authorization**

State	Installation or location	Project	Amount
Defense Finance and Accounting Service. Department of Defense Education Activity.	Kleber Kaserne, Germany .....	Building renovation .....	7,400,000
	Osan Air Base, Korea .....	Osan Elementary School Classroom Addition.	843,000

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**FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—MILITARY CONSTRUCTION BUDGET REQUEST FOR PROGRAMS OF THE OFFICE OF THE SECRETARY OF DEFENSE, THE DEFENSE AGENCIES, AND THE ACTIVE AND RESERVE COMPONENTS OF THE DEPARTMENT OF THE AIR FORCE**

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HOUSE OF REPRESENTATIVES,  
READINESS SUBCOMMITTEE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC, Thursday, February 26, 2004.*

The subcommittee met, pursuant to call, at 2:04 p.m. in room 2118, Rayburn House Office Building, Hon. Joel Hefley (chairman of the subcommittee) presiding.

**OPENING STATEMENT OF HON. JOEL HEFLEY, A REPRESENTATIVE FROM COLORADO, CHAIRMAN, READINESS SUBCOMMITTEE**

Mr. HEFLEY. The committee will come to order.

The Subcommittee on Readiness meets to hear testimony from the Department of Defense (DOD) and the Department of the Air Force on the fiscal year 2005 budget request for military construction (MILCON) and family housing.

I welcome our witnesses. We are going to have two panels today. I look forward to their testimony.

Once again, the subcommittee has received a military construction and family housing budget request that falls far short of addressing the aging and failing facilities of our Nation's military. This Congress and every Congress before it for the last decade has asked for amendments to military construction and family housing budgets. This historic trend should clearly indicate to the Department that the annual budgets being sent to the Hill are inadequate for the task at hand.

Nevertheless, the fiscal year 2005 military construction and family housing budget request is, once again, disappointing. Not only does it represent a real reduction to the fiscal year 2004 program, but it is nearly \$1.4 billion smaller than was forecast for fiscal year 2005 by last year's budget. This only serves to further undermine my confidence in the Future Years' Defense Plan (FYDP), which was supposed to include significant military construction budget increases for fiscal year 2006 and beyond. Not only have similar out-year predictions been proven wrong countless times before, but I note that the forecasted amounts for military construction appear to have been cut by \$6 billion from the amounts forecasted in the fiscal year 2004 budget. Such decreases in long-term budget plans cannot support a commitment to meeting DOD's facilities needs,

nor can the remaining budgets address Army transformation, increased Army force structure, the Global Posture Review, and other changes, that will have significant effects on facilities requirements.

Last year, Mr. DuBois noted that the installation and environment portfolio includes more than just the military construction and family housing budget. He is correct—the complete picture includes sustainment, repair, modernization, and base operations budget, as well as housing allowances and legislative efforts such as the Readiness and Range Preservation Initiative.

Unfortunately, the complete picture is also disappointing. Consider the following, the military construction budget is a real reduction from last year's program, and the FYDP is nearly 10 percent smaller than was forecast last year. Two-thirds of the services' facilities are rated C-3 or C-4, an appalling state of readiness. Visits to the field confirm that military facilities are continuing to deteriorate throughout the services. The Department has implemented what appears to be a legitimate model for crafting sustainment budgets, yet it has no model for base operations, repair, and modernization budgets and continues to fund these accounts at levels that do not even support "must-pay" bills. And the family housing program is based almost entirely upon the privatization program that will effectively cease to exist if Congress does not provide legislative relief, something it was unable to do last year due to budget constraints.

In sum, it strikes me that the Department is putting all of its facilities' eggs in the Base Realignment and Closure (BRAC) basket, by which I mean that the Department has put its facilities program on hold until BRAC 2005, and is expecting that the billions of dollars in funding shortfalls that have accumulated over the past several decades will vanish when it closes excess bases. While the Department may eliminate a small fraction of its problems by disposing of some bases, an examination of projected budgets indicates that they will fall far short of the amounts necessary to build new facilities, repair and modernize old ones and deal with the cost of the base closures and environmental remediation.

In the end, the result will be the same—our Nation's soldiers, sailors, airmen and Marines, and the families that support them, will be forced to live and work in inadequate facilities. So while I applaud the Department's efforts to improve base and family housing, I must take this opportunity to urge our witnesses to redouble their efforts within the Department to increase facilities budgets and to improve living and working conditions for our service members and their families.

Now, at this time, I would like to recognize the Honorable Solomon Ortiz, my friend and colleague from Texas and the ranking member of the subcommittee, for any comments he would like to make—if they do not disagree with me.

**STATEMENT OF HON. SOLOMON P. ORTIZ, A REPRESENTATIVE FROM TEXAS, RANKING MEMBER, READINESS SUBCOMMITTEE**

Mr. ORTIZ. I echo what you just said, Mr. Chairman.

Mr. Chairman, I join you in welcoming our distinguished witnesses today to this Readiness Subcommittee hearing on the fiscal year 2005 budget request for military construction and family housing.

About two-thirds of our military facilities are either, like the chairman stated, C-3, which means they have serious deficiencies, or C-4, which means that they do not support mission requirements. The need for military construction and family housing is obvious at virtually every base in this country. In this context, Mr. Chairman, I have to say I am disappointed by the budget request for MILCON and family housing. The request for family housing is \$4.2 billion, which is up \$200 million, 5 percent from the year 2004 level. But just a year ago, when we got the 2004 budget, the Pentagon planned to spend \$4.8 billion for family housing for the year 2005. Between last year and this year, the Pentagon has cut \$600 million or 12.5 percent from the family housing budget.

Why was funding for family housing cut internally within the Department? What happened in the last year to justify this cut? Excluding the supplemental for Iraq and Afghanistan, the overall budget for DOD is 7 percent higher than the 2004 level and the budget for the Missile Defense Agency is up by 20 percent.

The resources for family housing are available, but sadly, it is not as high a priority within the Administration as it should be.

The picture for MILCON is even worse. The request is for \$5.3 billion, which is about \$450 million, almost 8 percent less than the 2004 level. And last year's budget envisioned \$6.1 billion for the 2005 MILCON funding. So MILCON was cut by \$800 million, 13 percent during the internal budget deliberations of the Department.

Again, I am disappointed by this budget because the need is obvious. The resources could be available, but the Administration placed a higher priority on other areas of the defense budget. I know our witnesses care about our infrastructure and the quality of housing for our military personnel and their families. There is no question about that. They do the best they can with the dollars they are given. But I think that MILCON and family housing routinely get shortchanged by the Department, and the ones who suffer the consequences are the men and women in uniform and their families.

I hope our Office of the Secretary of Defense (OSD) witness, Mr. DuBois, can shed some light on why the 2005 request is so much lower than the Pentagon's own budget plan for last year's vision.

I hope our witnesses can also address two other issues. First, although Goldwater has been in place for almost two decades, we do not see many joint military construction projects. Some facilities are being used by more than one service, but it is a rare to actually plan, design and budget for a joint MILCON project. I think this is an area where we could get more bang for the buck. I hope our witnesses will share their thoughts on this matter with us today.

Finally, Mr. Chairman, the privatized family housing initiative that was founded by this committee is in grave danger here on Capitol Hill. When we established the program, we put a \$850 million cap on it, and we will exceed the cap sometime in fiscal year 2005.



The Congressional Budget Office (CBO) Office has changed the scoring of this program. So if we try to eliminate or raise the caps, our committee will get a very large mandatory scoring of that provision. In short, we need the Budget Committee to either overrule CBO's scoring or give us a mandatory allocation large enough to let the program continue.

I would like very much for the witnesses to tell us how the Department plans to work with the House and the Senate Budget Committees to convince them of the importance of this program. Every committee on Capitol Hill bombards the Budget Committees with requests; we need the weight and influence of the Department to get the assistance we need from the Budget Committees.

Mr. Chairman, the MILCON and family housing accounts are not as glamorous as some of the other programs that we consider, but they are extremely important to our forces and our families. And I thank you, Mr. Chairman, for your leadership and for holding these hearings.

Mr. HEFLEY. Thank you, Mr. Ortiz.

I thank Mr. DuBois. You see that our statements could have been interchangeable in the expression of concern we have for the level of funding. We understand, because we have been at this a long time, that sometimes military construction is a thing that takes it on the chin because we can always patch it together and move forward to next year where we will do great things. But we are talking about that moving forward and it is not reflected, I think, in this budget.

We have with us today witnesses from the Department of Defense and the Department of the Air Force. I ask that each of the witnesses keep their testimony brief. Without objection, all of the statements will be put in the record in their entirety. We will observe the five-minute rule. And let me thank the members of the committee for being here and apologize to our witnesses that we do not have more members here. Unfortunately, we just learned that we had our last vote and members scatter like quail when the last vote is done. But your statements will be on the record.

Mr. TAYLOR. Mr. Chairman, would you get a copy of those who are in attendance to the next base closure commission? We will try to effect favorably the outcome for some of us.

Mr. HEFLEY. Mr. Taylor, you always have a way of zeroing right in on the situation. If those that are not here do not care about the base closure process, then we are going to reward those who do care about it that are present. Would you not say, Mr. DuBois, that would be fair?

Our first panel will be made up of Ray DuBois, Jr., the Deputy Under Secretary For Installations and Environment. So, Mr. DuBois, the floor is yours. And we look forward to your testimony.

#### **STATEMENT OF RAYMOND F. DUBOIS, DEPUTY UNDER SECRETARY OF DEFENSE FOR INSTALLATIONS AND ENVIRONMENT**

Secretary DUBOIS. Mr. Chairman, Mr. Ortiz, distinguished members of the subcommittee, I obviously am very appreciative of this opportunity. It is my third legislative cycle with the Congress in

this particular position discussing the President's budget submission.

I might open my remarks by referring to the fact that this very subcommittee will be having a hearing, as I understand it, on the 25th of March, specifically and entirely focused on Mr. Taylor's favorite subject, the BRAC, although that doesn't mean I will not answer questions today on BRAC.

And with respect to quail, as Solomon Ortiz notes, I was in Texas two weekends ago in south Texas, hunting the wily quail. And I returned with 25 birds and ate them the following day.

The issue of budget and budget submission over last year's budget submission we will get into in this hearing I am sure, but I did want to, on behalf of Secretary Rumsfeld, express to you his sincere appreciation for what this subcommittee in particular does for our soldiers, sailors, airmen, and Marines when it comes to quality-of-life issues as driven by the family housing accounts and MILCON.

The Department has a well-defined strategy to address the condition of our installations and facilities and housing; and we know, as you do, that for many years the facilities declined due to competing issues and competing priorities and, yes, less than a precise understanding of how to properly fund those requirements.

Now, I would like to briefly outline some of the accomplishments and some of the initiatives which President Bush and Secretary Rumsfeld have directed since we came into office, which we think have significantly improved and transformed our military infrastructure and, we hope, have injected some of the best business practices that corporate America has developed.

Full facilities sustainment: full facilities sustainment is the first pillar and one of the most important pillars of the Department's infrastructure investment strategy. We have requested this year \$6.5 billion for sustainment. As you pointed out, Mr. Chairman, sustainment is not just MILCON. Sustainment in large measure is operations and maintenance (O&M), albeit the jurisdiction of another committee, an important one that I think we all have to understand.

The sustainment record for this Administration, I think, has been a good one. Every year it has increased. This year the Secretary in a meeting not too long ago made it very clear that this trend line shall continue upward; and this year we do have a 95 percent level, which will be achieved with the fiscal year 2005 budget request.

We, of course, hope that we will achieve full sustainment soon. The question is, as you well know those competing priorities, when we will be able to do that. The fact of the matter remains, we recognize that full sustainment does prevent deterioration and ensures that we benefit from the entire useful life of a given building or facility. And managing those full sustainment costs is, as you know better than most, far less expensive than delaying repair, delaying maintenance and ultimately having to replace those facilities earlier than scheduled.

But sustainment alone will not keep our facilities from becoming obsolete. Changing technology certainly drives an obsolescence curve far steeper than in the past. We must continue to recapitalize those facilities based on the immediate short-term and inter-



mediate-term needs of our military services. The quality of our infrastructure, as you all have said upon occasion, directly affects our ability to train, directly affects the readiness of our forces, directly affects recruitment, retention, quality of life and overall morale.

We had requested this year \$4.4 billion for recapitalization, the second pillar of our strategy. The facility recapitalization rate, that is, restoring and modernizing our facilities, has improved in this budget to a rate of 107 years versus the rate of 192 years, which is what we faced when we came into the executive branch in fiscal year 2001. Now we have slashed it nearly in half. We are on target to achieve our goal of a 67-year recapitalization cycle by fiscal year 2008.

Quality housing, the third pillar of our investment strategy: it was the initiative of the President and the Secretary of Defense not too long after they visited Fort Stewart, Georgia—I believe it was the third or fourth week of President Bush's Administration that he and the Secretary agreed it must be a key initiative. And to eliminate nearly all inadequate military family housing units which was currently in the queue for 2010, '11 and '12, pull it forward to 2007.

What else have the Secretary and the President agreed to do? Increase the basic allowance for housing, eliminate out-of-pocket expense for off-base housing, increase housing privatization projects and maintain military construction funding. You know, and I think Mr. Ortiz mentioned, as a practical matter, there is a balance between military construction for family housing and housing privatization. I think we will get to that in a little bit more detail later.

But that privatization authority that you all provided to advance this goal has yielded and let's not forget, it has yielded at least three times the amount of housing as traditional military construction for the same amount of appropriated dollars. In February 2004, as of this month, we have awarded 27 separate projects, which total over 55,000 family housing units. That is a 50 percent increase over January 2003, a little more than a year ago; and we are continuing to accelerate our efforts in projects. By the end of 2005, we will have awarded over 136,000 privatized units.

Now, you mentioned that the Congress created a cap, a \$850 million budget authority with respect to housing privatization. We have probably—and we are down to the last step of the analysis, we believe that we have used about 70 percent of that money. The remaining 30 percent will be committed by the end of this calendar year. By December of 2004 we think we will have committed the rest of that money.

Clearly, we need to work with you to increase this authority so we can fully implement the President's management agenda initiative to eliminate all that inadequate family military housing, and we ask for your support.

This committee, the House Armed Services Committee—this particular subcommittee has also been extremely helpful in terms of our range sustainment efforts. As you know, this involves mitigating the effects of encroachment around our facilities tests and training ranges. We want, obviously, our men and women in uniform to have the best and most realistic training facilities so they will return safely home to their families after deployment into com-



bat. Training, however, requires substantial resources and ever-increasing cubic dimensions of air, land, and water. Our military forces need to train as they would fight. Replicating the challenges and the stress, the discomfort, the physical and psychological conditions in the very natural environments of actual combat is first and foremost in our minds when we consider our training ranges.

Encroachment of all types, be it environmental encroachment, urban or exurban suburban growth, air space restrictions, competition for frequency spectrum, all of these encroachment aspects interfere with our ability—do not necessarily prevent or prohibit, but interfere with our ability to train with fidelity and to execute the missions within an envelope of combat realism. When the time and scope and temperature and distance, the sounds and the smell and even the taste of combat cannot be realistically replicated, when we cannot do that, lives are inevitably lost in battle when they might not have been.

The Department appreciates, of course, your involvement in helping us amend some of those environmental statutes over the last two legislative cycles.

Let me quickly talk about the environmental management issue. The Department obviously takes these issues very seriously. In fiscal year 2005, the budget request includes \$3.8 billion for environmental programs, \$1.3 billion for cleanup, \$300 million for BRAC environmental remediation, \$1.6 billion for compliance, \$100 million for pollution prevention, \$100 million more for conservation—all important aspects of our budget request.

Quickly, on energy consumption, because that is another area within my portfolio, we continue to reduce our energy consumption per capita and per square foot of installation facilities. Now, while our energy consumption is largely made up of carbon-based products, we continue to pursue renewable energy technologies, be they fuel cells, geothermal, wind, solar, et cetera.

In closing, Mr. Chairman, the Department believes that it is transforming its installation business practices to better husband the resources that you authorize and that the Congress appropriates. Now, no statement on real property asset management and how we are managing that process from the Installation and Environment Deputy Under Secretary would be complete, obviously, without reference to arguably the most operationally and financially beneficial initiative of the last 10 years, base realignment and closure.

That effort is leading to the delivery of the Secretary's recommendations to the independent base closure commission in May of 2005. It is a critical process and, yes, a most important product by which we will transform the infrastructure for our military to be more flexible and to more quickly and efficiently respond to the challenges of the 21st century.

The global defense posture review will feed into the domestic BRAC process. I testified about two weeks ago in front of your colleagues on the Military Construction Subcommittee of the House Appropriations Committee that it is my estimate that the Secretary and the President will be able to announce some of these overseas, what we call "muscle moves," back to the United States and its territories sometime in the May time frame.

I sincerely thank you, Mr. Chairman and the members of this committee, for this chance to share with you what I think are some of our challenges that together we have faced and some of the opportunities that we continue to work on. And with your continued support of our installation and environmental portfolio, I will commit to you that we are dedicated, you and I, to do the right thing by the taxpayers and to do the right thing by our soldiers, sailors, airmen and Marines.

Mr. Chairman, thank you very much. I welcome your questions.

[The prepared statement of Secretary DuBois can be found in the Appendix on page 56.]

Mr. HEFLEY. Very quickly, the 2005 military construction family housing budget is approximately \$9.5 billion or about \$200 million less than the amount appropriated in fiscal year 2004. It is also \$1.4 billion less than the amount projected for the fiscal year 2005 in the 2004 budget. The 2005 FYDP shows a decrease to military construction accounts of more than \$6 billion from the fiscal year 2004 FYDP forecast.

Now, I guess I want to know the rationale for this. Is the rationale simply that there are other priorities and we think we can mandate these construction projects or put them off? Or is what I suggested in my opening statement a possibility, that we are just cutting back until we actually see the shape of the BRAC operation? Or maybe there is some other rationale? Would you share with us the rationale for this?

Secretary DuBOIS. Mr. Chairman, to be sure, competing priorities, as I indicated—as you have indicated, enter into the calculation with respect to the budget bill for military construction and family housing. I would, however, insist that we also take into consideration that in this particular fiscal year's budget submission, as well as in the FYDP, the overseas military construction for facilities and installations and the overseas family housing accounts have been carefully whittled down on the basis of the discussions that we have been having with the combatant commanders and with the service secretaries on what is necessary for consolidation overseas and, yes, reduction of our force structure from overseas.

You heard me mention the fact that we think the Secretary will be in a position to make some announcements as to force structure returning from overseas later on this spring, perhaps in the May time frame, which will have a direct impact obviously on how we are going to analyze the BRAC installations, the domestic BRAC installations. Therefore, I think some of the reduction is driven by that particular overseas factor.

I would also suggest that we have better management techniques now that focus on how best to spend sustainment dollars which, as I said, are not MILCON, but operations and maintenance dollars; and yes, how to spend military construction dollars. The comment was made, and perhaps we will get into it again, about housing and the reduction in housing. As a practical matter, as I indicated, we have accelerated the reduction of inadequate housing by virtue of using the authorities that you gave us under family housing privatization. I think that is a good thing. Because for every dollar less spent in MILCON, we believe we leverage it at least three, four or five times by using private capital. That reduces the



MILCON requirement, which I again would submit is a positive factor.

Mr. HEFLEY. Thank you very much.

Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

Mr. Secretary, it was earlier determined that one-third of the Army's European forces are to be moved to stateside division bases. They could then simply rotate to overseas areas with regular six-month deployment and possibly use war reserve stocks.

Has the Department given full consideration to the infrastructure requirements stateside and the added stress of a possible six-month rotation cycle?

My question would be, why close bases until we are certain of the requirements, especially with no near-term end to the follow-on activities in Iraq and the war on terrorism, and then moving troops to Afghanistan and the Pakistan area? Maybe you can enlighten this committee a little bit on that.

Secretary DUBOIS. I think, Mr. Ortiz, that you have raised one of the misunderstood—and I mean that sincerely—misunderstood aspects of what the Secretary is trying to do in terms of BRAC. The Congress authorized a domestic BRAC. And with a number of Members of Congress suggesting to the Secretary that he do an overseas BRAC, he grabbed that bull by the horns, if you will, and in August of 2001 he started an overseas BRAC process.

What are we doing now? We are essentially doing a global BRAC. He recognizes and he has promised the Congress of the United States that we will not make the critical decisions with respect to domestic BRAC, which those decisions are going to be made over the next year, until and in such time as he had made the overseas decisions in terms of force structure movement within an area of responsibility (AOR), force structure movement between AORs, and force structure movement back to the United States.

As I indicated, we have spent the last two years working very hard on it. The Secretary just recently has given instructions to the combatant commanders to refine some of their recommendations in this regard. I believe that he will be able to share with you sometime in the May time frame, which is in plenty of time to inform the domestic BRAC process, which force structure, which major "muscle moves," if you will, will come back to the United States.

You have already read in the paper, no doubt, some of the options. And I think it bodes well for bringing troops back to the United States. People have asked also, as you have, what this is going to do for stress on the force if we do bring back these troops and have to rotate them out to forward operating locations irrespective of where they might be. I think you also have to look at what the subject has suggested. If we can keep families and officers and enlisted men at one base or installation for a longer period of time, that reduces turmoil; that reduces the stress, even if the husband or the wife are deployed for three to six months overseas.

I grew up in a military family. I went to 12 schools by the time I graduated from the university. I know what it means. I would have much preferred, quite frankly, if I could have spent a longer time in each place to go to school and to be with my family and friends.



Mr. ORTIZ. The reason I ask is because this committee has noticed that we need to do something with end strength, and I think that there was an agreement made that they would accept at least two armored divisions and maybe one Marine division. And if we bring soldiers back from Europe or Korea, with the additional soldiers that would be given to comply with the end strength, where are we going to put them?

Secretary DUBOIS. That is why we have a BRAC process, Mr. Ortiz. And I think if we are very fortunate—and I mean this sincerely—in terms of the Congress said the timing is wrong for, 2003 if you remember the debate, but it is right for 2005, it is right for 2005 because of what the Secretary and the President are doing with respect to reducing overseas force structure.

Remember, too, that in 1998, applying a 1987 force structure model, the Department determined we still had an excess capacity of 22 percent.

I also would suggest to you, people talk about surge: are you taking into consideration surge and mobilization requirements? Today, the United States Army with an authorized end strength of 382,400—I am sorry, 482,400 actually has an active duty, because of OPERATION ENDURING FREEDOM (OEF), OPERATION IRAQI FREEDOM (OIF), Afghanistan and Iraq, over 635,000 men and women in uniform. We didn't have to expand our infrastructure to take care of them. We have mobilized to that extent under the authorities granted by the Congress and taken care of it, in point of fact, because we mobilized these troops and deployed them outside of the country.

But one of the key criteria for BRAC is going—is pursuant to the statute, addressing the surge and contingency requirements from that force structure report, which is due probably—we will probably be able to deliver it sometime near the end of next month—that will drive how we analyze contingency and mobilization requirements.

Mr. ORTIZ. Just one little short question. One of the reasons that I worry about this is that I just came back from Iraq. Most of the soldiers that were going in, rotating for those that were coming out, were mostly reserves or national guard.

My feeling is that we are relying so much on them that this is going to have an impact on future reenlistment for the national guard and the reserves, where we are going to have a huge problem that we will have to contemplate.

Secretary DUBOIS. It is an issue that the Secretary actually asked David Chu and the Joint Chiefs almost on a weekly basis for reports. I believe that the Secretary of Defense's testimony pointed out that less than 7 percent of our reserve component's strength has been mobilized more than once over the last 10 years. An interesting statistic. Less than 50 percent has been mobilized at all. In other words, about 50 percent of the entire reserve component strength has not been mobilized once in the last 10 years.

Having said that, the reserve component mixture, what we have on active duty force, what we have in the reserve component is, by the Secretary's own admission, as well as the chiefs', not balanced? We seem to be asking for more out of the reserve components for

certain specialties and functions that ought to be in greater numbers in the active duty forces.

This is what you are going to see happen over the next several months, a rebalancing of that. I believe that the chief of staff of the Army has already shared with you some of his ideas of how he will go about doing that.

Mr. ORTIZ. Thank you, Mr. Chairman. I have some other questions, but I would like to submit them for the record.

Mr. HEFLEY. Mrs. Wilson.

Mrs. WILSON. Thank you, Mr. Chairman. I appreciate your having this hearing. I have to say I was a little bit surprised at where we are on these criteria for BRAC. When I saw the draft criteria come out of the Federal Register, my presumption was that you were going to use the ones as a draft that you had had for the prior three rounds back to the 1980's, and that in this process of public comment is when the Defense Department would bring these up to date and for the 21st century round of BRAC.

Which is why I was even more surprised that after that period of public comment, where your own analysis of the 12th of February shows that those comments and suggested revisions and updates fell into 32 different kinds of categories, 32 different ideas, some of which were brought up by multiple people, that you did not change the criteria at all or did only in trivial ways.

So now we have a BRAC criteria that was designed for a Cold War situation, developed in the 1980's, that has not really changed at all. And even recommendations made by the General Accounting Office (GAO) about taking into account what we learned from the last round of BRAC on inadequacies and the criteria were not incorporated at all. So we have, I think, a defective and outdated criteria.

And, Mr. DuBois, I would ask you a couple of questions about it. The GAO recommended that the criteria be clarified so that the costs that are analyzed are the cost to the taxpayer, not the cost to the Defense Department. And you did not make that change. I would like to know why you did not make that change and what you think has changed about your model that will keep you from making the same mistakes this time as you made last time?

Secretary DuBOIS. Congresswoman Wilson, we did take, we believe, a very strict interpretation and reflection of what the statute said with respect to BRAC. We believe that it was our obligation to publish the draft selection criteria as reflective of the statute.

There have been changes in the draft—in the selection criteria with respect to the 2005 round versus the 1995 round. One of the principal changes is the fact that we are looking not necessarily at capacity alone, but at capabilities.

Now, before I go any further, though, I think that it is important, and I know a number of members here are interested in the same issue, why after the receipt of a number of letters from Members of Congress, governors, and mayors and private citizens during that 30-day public comment period, why were there no changes between the draft selection criteria and the final selection criteria? I would commend to your attention the fact that we accompanied the final selection criteria with an in-depth analysis of the major changes that were suggested.



But I want to say that—and I make no excuses for this—we believe that the selection criteria honor and, in fact, reflect almost to the letter the statutory wording in the 2005 authorization.

In addition, we believe that the criteria were designed to be broad enough to accommodate the diversity of missions and the diversity of functions existing—

Mrs. WILSON. If I could interrupt you, because I really want an answer to my question. The GAO recommended that you alter your criteria so that—and this is one of the things that is analyzed in your—where I got the 32 categories from was your own analysis. They recommended that you change your criteria to make clear that the cost that we are after is the cost to the taxpayer, not the cost to DOD.

You did not change it. I want to know why.

Secretary DUBOIS. I think that in criteria five, where we talk about the extent and timing of potential costs and savings, it includes—it is inclusive of costs across the board.

Mrs. WILSON. So you are saying it is implicit that you are talking about cost to the taxpayer and not to DOD?

Secretary DUBOIS. We are being driven by military value. It depends upon what you are addressing. If you are saying, if we close base X and there are nonmilitary, non-DOD functions, on base X, would that therefore mean that those functions would have to move elsewhere or close? The answer is no.

Are you then suggesting that there are costs that are beyond the DOD's in that closure of base X? I am trying to get to the number.

Mrs. WILSON. I am saying that the General Accounting Office, as well as others—I will admit myself, I am included there—that list of others, recommended that in its criteria the Defense Department make clear that the costs we are interested in saving, the dollars we are interested in saving, are not the dollars to DOD. We want to see that there are savings to the American taxpayer.

I do not care if it shows up on your books, on the National Aeronautics & Space Administration's books, on the Energy Department's books, the books we care about are the taxpayer books. And the GAO recommended you change it and you said, "No, thanks." I would like to know why.

Secretary DUBOIS. I don't think that we said, "No, thanks." I think that we commented that criteria number five would incorporate costs irrespective of what those costs might be.

Now, granted, we have an obligation, as Congress told us what our obligations were with respect to costs for the Department of Defense.

Mrs. WILSON. Mr. DuBois, you mention in your answer that you were going to change your guidance as to how you gather data and particularly your model for base closure. As I understand it, your first data calls—specifically excludes all aspects of any bases that are not particularly on the DOD books.

I wondered if you were going out for an additional data call that includes all Federal installations on military bases.

Secretary DUBOIS. We are not authorized. In fact, Congress specifically—when asked for the authorization to include by statute assets not belonging to the Department of Defense, Congress chose not to give us that authorization.



Mrs. WILSON. So you are not collecting the data?

Secretary DUBOIS. We are not collecting the data particular to facilities not belonging to the Department of Defense.

Mrs. WILSON. So the commission will not have in front of it—they are just black holes which they cannot consider anything about what is on that installation, if it does not have a DOD—

Secretary DUBOIS. I wouldn't go so far as to say that. I would not prejudge what the commission will do. I would think that the commission is going to take into consideration, and must take into consideration if a base is recommended for closing, a supermajority of nine; seven of the nine must vote for it, but at least two of the nine must visit the installation. So I will presume that the commission is going to have insights and knowledge about all facilities on that installation.

Mrs. WILSON. You have asked the base commanders, I think it was over 500 discrete questions on data, and it specifically excluded anything that is not.

Secretary DUBOIS. Because we are not authorized to ask the Department of Energy, we are not authorized to ask the Department of Justice for their—do a data call on them.

Mrs. WILSON. Thank you, Mr. Chairman. I think this illustrates the problems we are having. We may have to take some action. I look forward to working with you on it.

Mr. HEFLEY. Mr. Taylor.

Mr. TAYLOR. Thank you, Secretary DuBois, for being with us today. Mr. Secretary, I am going to ask for a clarification, because I am hearing vastly different answers to the same question when it comes to the BRAC process. I am hearing from the proponents about all the money it is going to save us and that the monies are saved immediately. Yet I was just handed a copy of your remarks from December 20th of 2002, at a media round table on BRAC where you stated the following, and I will quote you: "remember BRAC is not inexpensive. BRAC will probably end up costing the Department of Defense over a four-to-six-year period—depending on how large the BRAC is, depending on how much capacity you are reducing and, by definition, how much you are realigning, it could cost \$10 billion to \$20 billion over that period of time." now, that is the end of your quote.

For argument's sake, let's say we split the difference: It ends up costing our Nation \$15 billion. By your own words, it would take five years to start realizing any real savings.

Secretary DUBOIS. Savings begin in the fourth year. Net savings, I might add, savings begin in year one, but the net savings with a crossover occurs in the fourth year.

Mr. TAYLOR. I am just curious, when you made that statement in 2002, did you envision that this month the Secretary of Defense would come before this committee and ask for a growth in Army manpower by 30,000?

Secretary DUBOIS. I am not the Personnel Under Secretary, but I will—

Mr. TAYLOR. Would that not be a factor in how many bases and how much housing we need?

Secretary DUBOIS. Absolutely. As I indicated, the United States Army today has in uniform on active duty over 640,000 people. We

have taken that into consideration with the current infrastructure. We would certainly take it into consideration, as we must—under the criteria number three, we must accommodate contingency mobilization and future total force requirements.

Mr. TAYLOR. How much is our Nation spending in North Carolina near my friend Walter Jones' district? How much are we spending in North Carolina to build the outlying landing field for the F-18E and -Fs?

Secretary DUBOIS. I don't know, sir.

Mr. TAYLOR. Was that taken into consideration when Cecil Field was closed, which had four runways capable of handling those planes?

Secretary DUBOIS. I can't respond to your question in terms of what happened in the prior rounds of BRAC.

I will say this—

Mr. TAYLOR. The point is, it was not and that we continue to pay long term for short-term mistakes from previous rounds of BRAC. And quite frankly, the whole talk of BRAC started prior to 9/11.

Secretary DUBOIS. That is correct.

Mr. TAYLOR. As a Nation of great people, we should be able to say on occasion, and hopefully only on occasion, I made a mistake. I would sure like to see this Department of Defense, in particular the appointed officials of the Department of Defense, say, maybe we shouldn't rush into BRAC.

The world has changed dramatically since the summer of 2001 when Secretary Rumsfeld called for a 25 percent reduction in capacity.

So while I have got you here, would you please name one Army, one Navy, one Air Force, or one Marine Corps base that you think needs to be closed?

Secretary DUBOIS. Mr. Taylor, the BRAC process—

Mr. TAYLOR. No, sir. I keep hearing from folks in your capacity on your team that say, we have too many bases, we have too much infrastructure. And they keep throwing out this 25 percent capacity.

All I would like, sir, is one specific instance from any of you.

Secretary DUBOIS. You are not going to get one specific instance, Mr. Taylor.

Mr. TAYLOR. If you cannot name one, how can you say you have 25 percent in excess capacity?

Secretary DUBOIS. Because the excess capacity analysis was on the basis of aggregate categories of pier space, apron space, runway space, hanger space. It was aggregate. I have testified to this. It is an aggregate gross model.

Now, the Secretary has never said that that will translate into the reduction of 20 to 25 percent of bases.

Mr. TAYLOR. I said capacity, sir.

Secretary DUBOIS. Yes, I appreciate that.

Mr. TAYLOR. I have listened to you. I have been quoting you.

Secretary DUBOIS. I would submit that 20 to 25 percent of the bases are not going to end up being closed. They may end up realigned. That is a key word that people forget about this entire process.

Mr. TAYLOR. Second question, a little closer to home: Keesler Field has the luxury—Keesler Air Force Base has the luxury of owning the land and the housing on that land. I am a bit bewildered looking out there—I think most people who have the opportunity buy a home because they realize in the long term it is cheaper to buy than to rent. There may be exceptions to that, but I don't know of many. Hopefully, the Air Force is going to be around for a long time.

What I am a bit puzzled on, and I will give you the opportunity to defend, is the decision of the Air Force to shut down housing that we own at Keesler Air Force Base and go out and rent housing, because it seems to fly as a complete contradiction of everything that I believe in.

Second, if the answer is going to be for maintenance purposes, please explain to me why private-sector folks, i.e., the renter, can maintain those buildings for less cost than you experts who ought to be able to maintain those buildings that we already own. Because, again, that does not speak well for the folks that—again, that would not be your words, but that would not speak well for the folks that you have doing that maintenance.

Secretary DUBOIS. Mr. Gibbs, sitting behind me, who is in the next panel, will no doubt have some more specifics as far as Keesler is concerned; but let me answer it in terms of the broad Department of Defense.

The condition of the housing in January of 2001 was recognized both by the Congress and by Secretary Rumsfeld as being military family housing, as being inadequate—a huge percentage inadequate. If on any given installation the housing is substandard, inadequate, and we can eliminate it through a housing privatization project, we will choose to do so because, A, it is less cost to the American taxpayer, B, it can be done faster.

Mr. TAYLOR. How do you document that? Because, again, I do not see how renting—going out and renting something and giving up something you own is less expensive.

Secretary DUBOIS. Mr. Taylor, one of the biggest problems that we have had for a long time, preceding my service in this Administration, has been the fact that military construction dollars were never enough to maintain, sustain and recapitalize the large inventory of family housing that we had in the Department. A considered judgment arrived at in conjunction with Members of Congress and this committee and this subcommittee was that in order to, as quickly as possible, eliminate that inadequate, substandard housing, we would enter into a privatization process.

It was an experiment at first, begun some five and a half years ago. It has proven its worth, in my view, in terms of eliminating as quickly as possible that inadequate family housing.

Mr. TAYLOR. So you think in the short term with a long-term expenditure, a higher expenditure long term to solve a short-term problem—

Secretary DUBOIS. I think there have been studies, and I would be glad to share them with you.

Mr. TAYLOR. I am saying this as a very sincere skeptic. I just do not see how our Nation is served in the long term by doing this. And I do not see how the taxpayer, who has paid for those houses



and will continue to pay that rent, are served in the long term by doing this.

Secretary DUBOIS. There has always been a debate within the Department, quite frankly. A MILCON dollar less here by virtue of housing privatization, a basic allowance for housing dollar over here, have we really saved any money?

We believe that in that equation, even in that balance, we will save—over the life cycle of the housing, we will save money. I will provide you separately with the reports and the analyses we have done in that respect.

Mr. TAYLOR. Thank you, Mr. Chairman.

[The information referred to can be found in the Appendix beginning on page 86.]

Mr. HAYES [presiding]. Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman.

Thank you, Mr. DuBois, for being here. I appreciate it very much. I want to pick up again, if I may, on this 25 percent overcapacity question just for a second and then move on to a couple of other things.

In that regard, if we are indeed at 25 percent over capacity, when you use that figure, DOD uses that figure, is that a global figure or is that a domestic figure?

Secretary DUBOIS. It is a global figure, sir.

Mr. COLE. So are you saying that after we go through realignment, if you will—an overseas BRAC, I think, is roughly the way you described it—that we may have considerably less overcapacity after May of 2004 domestically than that 25 percent figure might lead us to believe?

Secretary DUBOIS. There is no question that with the return of force structure from overseas to the United States, the capacity coefficient in the United States changes, especially when you consider that—well, I don't know how much of the overcapacity existed in Germany versus the United States, but intuitively, one would come to the conclusion that the United States will have less overcapacity; i.e., when we do the domestic BRAC informed by the overseas closures and realignment and return home of force structure, we have to take that into consideration.

Mr. COLE. Just to be clear on this, in your view of that, the Secretary's and DOD's, even when they used that 25 percent figure, I think that is very important, frankly, something you ought to be stressing a lot more. I think Members' concern might not be quite as high if that were put in that context.

Fort Sill is in my district. We benefited from reprogramming last year. We saw jobs and capital flow out of Europe to that particular facility; it was very helpful to us, and in the end, we are talking about considerably less than 25 percent. I am not asking you to say that, I don't think you can yet, but could you come back to us with a new estimate after May of 2004, after you have looked beyond the borders of the United States, and give us some idea what you think the figure is at that point?

Secretary DUBOIS. Yes, sir. And I will verify the last exchange. But it is also true that in the reports, that are due under the statute in conjunction with the justification documents to the Appropriations Committees—which again my best estimates would be

sometime approximately a month from now—must include a capacity analysis.

Of course, the key report required under the statute is the so-called “20-year force structure analysis,” and you all will be able to see how important that particular document is in terms of driving the infrastructure necessary to support that force structure.

Mr. COLE. Again, I would just ask you, when that time comes, just to focus—if you would get us some information on redeploying and changing overseas, how that interacts with what you are doing domestically; and if that 25 percent figure has shrunk in some appreciable way, I think that would be very helpful to all of us.

Second area, I was recently advised—and this may or may not be correct—that DOD is thinking about a policy parameter that would say, we closed down Air National Guard bases within 50 miles of major Air Force bases; is that true?

Secretary DUBOIS. I do not have any insight into that. The guard, be it Air National Guard or Army National Guard, base structure is—each individual service is including that in its particular BRAC analysis. I am not privy to what the Air Force may be doing in that regard.

Mr. COLE. I would ask to look at—perhaps there is somebody you could direct me to if you are not the appropriate party on that.

We have a situation in my district, we have a great Air Guard facility at Rogers Air Force Base, I know there is some concern that it might be closed down and its units moved to Tinker.

That is fine in some ways. Tinker actually has the space, but it does not have the physical capacity. We would literally have to go build hangars. We have, frankly, a very new Air National Guard facility.

So if that is indeed the case, it would be one of these situations where a broad policy would locally cost you a lot of money that I would just as soon see you spend on the modernization of the depot at Tinker as opposed to recreating—it goes back to Mrs. Wilson’s point about where we are saving money, DOD or taxpayer or what have you?

That is a matter of great concern to me.

Secretary DUBOIS. Those costs are very much a part of this process. My distinguished colleagues, sitting behind me, will be in this chair in a few minutes and will no doubt be able to give you some more details with respect to Tinker.

Mr. COLE. As you approach your planning both with respect to BRAC and with respect to construction activities, range activities, how much do you factor in what a community can and will do working with you?

To give you a couple of examples: Vance Air Force Base in Enid, Oklahoma—not in my district, but certainly in my state—recently, in preparing for BRAC, was literally donated a considerable piece of land. The state rerouted a road just to make sure there was more protection for the base, if you will.

We happen to have a fuel storage facility that was very close to the border. The idea was to create a buffer. Tinker Air Force Base, Oklahoma County, passed a \$50 million bond issue and was happy to do it to clear out houses that might encroach.

How much does that become a factor in both your planning and in the BRAC process?

Secretary DUBOIS. As you know, the Department must make its recommendations based on the final selection criteria and the force structure plan. Military value, while it is well defined in the statute and, we believe, well defined in the first four criteria of the selection criteria, as a practical matter, the communities which have invested in schools and health care and transportation and infrastructure in and around the base will, I think by definition, fare well.

But the issue of what a community can do now—if a community, in my view, has not been sincerely and intimately involved in the health and welfare of that installation in terms of bricks and mortar, but more importantly, in terms of the military families who live and work there, civilian and uniformed, I think you can draw your own conclusions.

I will say that in my travel, and I have been to 117 different installations in the last 3 years in this job, I have been critical of some in terms of specifics—schools for instance, or spousal employment opportunities, those that are not oftentimes—spousal employment, not oftentimes considered on the one hand. On the other hand, most of the communities I have visited are absolutely committed to making their quality of life as high as it can be.

Mr. COLE. Thank you very much.

Thank you, Mr. Chairman.

Mr. HAYES. Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman.

And again, thank you for being with us, Mr. Secretary. I wanted to associate myself with the remarks of both the chairman and the ranking member in terms of the frustration of not seeing enough money dedicated to the MILCON account. And I do so because I was part of a four-member congressional delegation led by Chairman Weldon and by Ranking Member Ortiz a couple of years ago that covered, I believe it was 25 bases in 4 days. We were looking specifically at the infrastructure needs and in most cases the high state of deterioration of infrastructure that you have that we normally don't see because it is either, you know, buried pipes or hidden walls, buildings that normally are used for a variety of things. In fact, in this year's budget, after trying for about 4 or 5 years, the Air Defense Education Building for \$16 million is included in the President's budget, which I really appreciate.

Secretary DUBOIS. At Fort Bliss.

Mr. REYES. At Fort Bliss, right.

But the concern that I have when we talk about BRAC is that, as you know, Mr. Secretary, Fort Bliss is in my district, but it is connected to White Sands and Holloman, and it is really a regional base—in fact, the largest base in the DOD inventory. And the concern that I have—or maybe I should rephrase that. The question that I have is, is that going to be looked at in this BRAC round where these three facilities that are really one huge regional training center, will that be taken into account? In other words, or will you look at Fort Bliss, White Sands and Holloman each independently?



Secretary DuBOIS. Mr. Reyes, and I don't mean to be cute, but the answer is yes and no. It is really yes and yes. And it is a danger, it seems to me, to think that the Department of Defense and the three military departments are going to look at each installation solely on an individual military value calculation. You have to step back and look at the whole.

In your part of the world, you have got these interconnected ranges and installations. I think Bliss alone is—with White Sands, is a million acres. There are similar situations around the country where, while installations and ranges aren't necessarily contiguous, they are tied in from an instrumentation standpoint. They are looked at in a holistic way.

So, yes, on the one hand, you are going to do a military value calculation with respect to that installation by itself and look at it relative to like installations. On the other hand, they are also—"they," meaning the joint cost service groups and the military departments—going to look at how these bases fit together.

Now, I don't want to confuse the issue, but I think it is important to note for the future that base A may have a military value calculation of 80, base B might have one of 70 and base C may have one of 60. But the advantage to the Department of Defense from a multiservice, multimission standpoint is that the military value of B and C together is higher than A, and you might end up realigning or closing A even though this has a higher military value individually than B and C because B and C together constitute a greater importance.

That is an academic argument. I don't know how it is going to come out, but I wanted to just put that in front of you all today.

Mr. REYES. And I appreciate you doing that because it is important, I think, that when we talk about the military value that it represents to our Nation, that it be considered holistically. And in our case, we don't have any encroachment problems, any environmental problems, any of those kinds of things, but there is or there was that concern that because they are individual bases, per se, but yet connected together, that this might not be taken into account. So thank you.

Thank you, Mr. Chairman.

Mr. HAYES. Dr. Snyder, if you will indulge me just a minute, I had a quick question.

The issue of a cap on the Residential Communities Initiative (RCI), what is your plan for that, 850?

Secretary DuBOIS. We are in discussions with the Office of Management and Budget (OMB) on how we would propose Congress deal with that issue. We are of a single mind in this regard. We know it must be dealt with; we know we must relieve the cap.

There are several schools of thought, sir. One is to—let's have no cap at all. One is to raise it by a billion dollars, B, billion. We believe that we are very close to an agreement with OMB as to how to deal with that.

There is also the issue of scoring.

Mr. HAYES. Okay. That's good for now.

Dr. Snyder, excuse me.

Secretary DuBOIS. I hope to have an answer for you very shortly. But not this afternoon.

Dr. SNYDER. Thank you, Mr. Chairman.

Thank you, Mr. Secretary; it is good to see you. Mr. DuBois, you have had a fair amount of, you know, some fairly intense questions this afternoon about BRAC, and I know that is not the first time that has occurred and it is not going to be the last. But as you know, this is a very intense issue for members.

I am one that agrees with the need for another round of base closure and have voted that way here. But it does point out, I think, you all have a rough job because this process has to be always perceived as being absolutely fair and evenhanded and based on the merits of the case; and that is a—can sometimes be a difficult perception to bring about in this town.

A specific question I wanted to ask, and I know you have been asked it before, is the issue of communities hiring private lobbyists to get involved in this process. Do you have any comments about that?

I think Members of Congress are never quite sure what to say, because some of these are just some horrific prices that communities put into this, and yet, if—I hope to hell that all that is money wasted because I would like to think we have a process that there is no D.C. lobbyist that would have any impact on this process at all.

What are your thoughts about that?

Secretary DUBOIS. The Secretary of Defense and I have both publicly stated that the best proponents, best spokesmen, most knowledgeable individuals with respect to military installations are sitting right up there. You are the best ones.

I do not believe that some of the money being spent by some communities today on Washington-based lawyers, lobbyists and consultants, I do not believe that some of that money is well spent. I think that communities ought to look at their military community, military installation; and they would probably better spend their dollars in determining where and how it might include and increase and improve infrastructure, transportation, health care, housing, schools. That, in my view is where those hard-earned taxpayer dollars ought to be spent.

There is a case to be made, I suppose, that when a community is not knowledgeable about what goes on inside that installation or how it might impact the economics of the local vicinity—which, by the way, we must take into consideration in category or selection criteria number six. They should know, and if they don't know, that is probably dollars well spent on knowing what is happening there, as opposed to what might be happening back here.

Dr. SNYDER. I wanted to ask, one of the things at the base back home—this is just a generic question; this is really for the future, but this issue came up after September 11th.

They have an educational facility on the base, and I know it is true all over the country. But then with the security tightening after September 11th, it became a difficulty because of nonmilitary people, who are taking classes on the base and were shut off for a while. So what folks in central Arkansas have come up with, working in cooperation with the base, was some type of joint facility which would be on base property, but outside the perimeter in which the military puts in money to it, and it is a joint thing.

Is that something that is being looked at around the country, do you know? Or is that something, that kind of shared entity, is that something that is unusual?

Secretary DUBOIS. I am aware of a number of installations where functions and facilities which serve both military personnel and nonmilitary personnel from the community have been either moved, or the fence line has been rearranged or the access has been changed, or special IDs have been issued post-9/11.

Dr. SNYDER. My concern is about this issue of merging. Building a new educational facility that can basically be a small college for 1,500 or 2,000 people is a fairly large building. Is that something that you all are looking at or are we subject to, or is that—

Secretary DUBOIS. I don't know of any instance where, in an educational facility or a skills secondary training facility where we have entered into a partnership like that. But I will ask my colleagues and let you know.

[The information referred to can be found in the Appendix beginning on page 87.]

Dr. SNYDER. I think it is something worth pursuing. It solves that security problem. The environmental problems at Camp Lejeune got some press attention in the last two or three weeks.

What has been you all's response to, specifically, Camp Lejeune, but also the possibility of there being other problems at other bases?

Secretary DUBOIS. I think you are referring to the water issue.

Dr. SNYDER. Yes. Yes, sir. I am sorry.

Secretary DUBOIS. Secretary Johnson, H.T. Johnson, who will testify in front of you, the Assistant Secretary of the Navy for Installations and Environment, he mentioned that to me in our weekly meeting; and I have asked him for more details.

A similar question actually arose the other day with some visitors from California. When we are faced with a situation that drinking water has been impacted or the tests indicate that there is a health issue, it is dealt with immediately, and it is dealt with immediately whether it is an active duty base, a formerly used defense site, or as in the case we have found in our own backyard here in Washington, Spring Valley, we didn't know about it at all. We transferred money. We reprogrammed money to directly deal with the situation of the moment.

Dr. SNYDER. Thank you.

Thank you, Mr. Chairman.

Mr. HEFLEY [presiding]. Mr. Marshall.

Mr. MARSHALL. Mr. Chairman, I am waiting for somebody from my office to bring something down here. If I could pass for right now and maybe question later.

Mr. HEFLEY. Sure.

Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman. And a warm half-a-day to Mr. DuBois. And I would like to say, Mr. Secretary, what a pleasure it was to have you visit Guam with Secretary Rumsfeld last November. As you got to see firsthand, the installations that we have on our island are exposed to some unique conditions which make building in solid concrete almost a must.



And they also serve a unique purpose, allowing the Air Force bombers to reach where they need to in the Asia Pacific region.

Of course, I would like to see the bombers that are on rotation out to Guam permanently based there, and that means building the infrastructure to service them like the war reserve material storage facility that is in the 2005 authorization request. It will be a welcome addition to the base, Mr. Secretary, and it also means taking care of families in the new Department of Defense Education Activity (DoDEA) high school and the 2005 authorization request fulfills that commitment.

But as I look to the future development of the base, I am increasingly concerned about the BRAC process and the global presence and the basing strategy review. While Andersen Air Force Base is undergoing the BRAC process, its neighbors in South Korea and Okinawa are under separate review.

Will the base commander on Guam know the outcome of that global review when he is evaluating the capacity and utilization of Andersen Air Force Base, and will that data enter later in the process? I ask this because Guam's strategic value is, in part, dependent on what the Department of Defense decides to do with its neighbors.

And I know that Ranking Member Ortiz has already touched on this and the outcome seems positive. But if you could delve into the process for me, I would certainly appreciate it.

Secretary DUBOIS. Ma'am, for the very reasons that you have raised, as I have indicated and stated publicly, the Secretary of Defense is no longer doing a domestic BRAC. He is doing an integrated global BRAC. And he knows that it is his obligation to rationalize the overseas basing structure and have that inform the domestic basing structure decisions.

The Andersen Air Force Base installation commander received a data call, as did every other installation commander around the world, the very same data call.

Some of those questions, of course, are applicable to some bases and not to others. The changes in the Korean peninsula, when those changes are completed, they will have no doubt an impact on the U.S. and its territories, as I have indicated, as will the changes in Germany. And I can assure you that Andersen is going to be part and parcel of that entire integrated analysis, and it will have an impact on Andersen, there is no question.

Ms. BORDALLO. Well, thank you, Mr. Secretary. I am—unlike previous rounds of the BRAC, I remain optimistic on this one.

Secretary DUBOIS. Well, so far, the Secretary and the President have increased the force structure on the island of Guam for military value and military operational reasons. Three submarines are out there now. But it does raise an issue as you put it out in your opening remarks about infrastructure on that island, and the typhoon and weather issues require certain construction standards which increase the construction factor to factor 1.4, I believe.

Having said that, Guam is in an awfully advantageous place.

Ms. BORDALLO. Glad to hear that. Thank you Mr. Secretary.

Mr. HEFLEY. Back to Mr. Marshall.

Secretary DUBOIS. Not that Fort Bliss isn't in an awfully advantageous place.

Mr. MARSHALL. Thank you, Mr. Chairman.

Mr. Secretary, as Ms. Wilson was asking you about GAO's recommendation and why you had not taken GAO's recommendation, I was reminded that I had read the Federal Register release that came out in the last couple of weeks that specifically discussed this, and I thought it might be helpful to you and all of us if I simply read the suggestion made by GAO and the response that was given by DOD.

The suggestion was that the Department's intention to consider potential costs to other DOD activities, or Federal agencies that may be affected by the proposed changes or realignment recommendation under the criterion, relate to the cost and savings. And GAO suggested that DOD modify its criteria to take that into account.

The response, at least as published in the Federal Register as discussed above, DOD recognizes that the BRAC legislation required it to consider cost impacts on other DOD entities and Federal agencies in its BRAC decision-making and will issue implementing guidance to ensure that such costs are considered under criterion five. So it sounds to me as if, at least in the Federal Register, DOD in response to those concerns by GAO is saying, while we are not going to change the BRAC criteria themselves, we are going to issue implementing instructions and guidelines that do direct that we take into account not only cost to DOD, but cost to other agencies.

Secretary DUBOIS. Thank you, Mr. Marshall, for clarifying that. The question, in our view, was included in its broader definition under criterion number five. It is true we are going to give implementing guidance to each of the joint—each of the seven joint cost service groups.

I think the question that Ms. Wilson raised—and I will be very precise about this when I get back to the office—that the data call for non-DOD facilities, is not within our purview. But I want to respectfully submit that a DOD function or facility on a DOD installation may be realigned or closed, but that does not necessarily mean or follow that the other non-DOD assets, real property assets and functions and facilities, would necessarily have to move.

The question remains, would it remain a military installation or would it be an installation run by the Department of Energy or the Department of Justice? I don't know the answer to that.

Mr. MARSHALL. I heard Ms. Wilson ask two questions, at least. And one was just the general inquiry whether or not you had adjusted your—

Secretary DUBOIS. I appreciate that.

Mr. MARSHALL. The second was the one that you bring up now, and I think it was just a follow-up. It was, so why haven't you asked for information from Federal agencies that are occupying installations, along with DOD occupying an installation? And I suppose that you don't—I am not quite sure I understand the response that you have given.

There has been a choice, obviously, made here. I don't know that the choice not to request the information about impact, cost impact, is one that is volitional or required. I don't know whether these other agencies would have to share with you the information that



you have requested, whether you simply decided not to request that information.

Secretary DUBOIS. I think one must—thank you, sir.

I think one must draw a distinction between a data call to a function on a particular military installation for a military facility, how many square feet of class A office space do you have, et cetera. We are interested in the cost structure of that installation, which includes all tenants on that installation; we must take that into consideration.

But with respect to military value and military function, I don't care what the Drug Enforcement Administration has in terms of square footage of class A office space. I do care for the cost structure of the entire installation to include all the tenants, military or otherwise.

Mr. MARSHALL. So in doing your analysis concerning military needs, you might make one inquiry for data, and then at some point, in trying to take into account the costs that will be incurred as a result of a decision to realign to close, what have you?

Secretary DUBOIS. That is correct.

Mr. MARSHALL. You might make another request for data, and at that point, you might inquire of those other Federal agencies that would be impacted by whatever decision that you are making concerning the cost they anticipate incurring; and then you would take those costs into account in trying to make the final decision. Is that essentially the sequence?

Secretary DUBOIS. Yes, that is my anticipation of how this process will work.

Mr. MARSHALL. Thank you, sir. I have no further questions.

Mr. HEFLEY. Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you, Mr. Chairman.

Mr. Secretary, aloha. Good to see you again. I am going to ask you three or four questions, some of which, the answers to which, you might have to give back in writing. It might be more useful because of the limited time today, if that is okay.

Secretary DUBOIS. Very well.

Mr. ABERCROMBIE. So if you answer in, you know, abbreviated terms, it is not going to hurt my feelings in that respect.

Secretary DUBOIS. I hope I am smart enough to do that.

Mr. ABERCROMBIE. Oh, I think you are smart enough. I am pretty sure of that.

I do want to indicate, though, Mr. Chairman, that we have caucused up here and I have specifically asked Dr. Snyder whether there was any excess capacity on this row of the Armed Services Committee, and the determination was, there wasn't any at this point. But we will leave the question open on this row.

Mr. HEFLEY. Ask that question and get him on the record.

Mr. ABERCROMBIE. Yeah. It was informal, I assure you. If you go to page eight of your testimony, Mr. Secretary, this goes—we have had a conversation on this before. I realize that your testimony has to be general in nature. That is why I said, you might want to respond in more detail in writing. This goes to the budget request on out-of-pocket housing costs of the average military member. We have discussed this before. I am concerned that I still don't—I want to know whether you have an across-the-board formula or whether



it is installation by installation with respect to trying to determine what an appropriate market rent is; and whether or not any action has been taken since our last conversation about whether or not we are just applying a formula in—especially in the private sector that ends up with landlords simply raising their rent to meet whatever the number is of the housing allowance and not really providing either better housing or more housing or both.

Secretary DuBOIS. Mr. Abercrombie, you and I have spoken about this. We both share the same concerns. If we find a situation where the housing marketplace merely responds by raising rents by virtue of an increase in basic allowance for housing and not increasing either the quality or the quantity of that housing, we are going to make adjustments.

Housing out-of-pocket expenses and base allowance for housing (BAH) are adjusted and analyzed locally, A; B, you don't have one blanket BAH.

But secondarily or equally as important, number two, the installation commander has some flexibility with respect to how wide a circle he draws, where he indicates this area is—you know, high rent district, not available.

Mr. ABERCROMBIE. Again, because of the time, so in other words you are saying you have sufficient authority now, you believe, either in legislation or in policy, enunciated to enable you to do that? You can make your adjustments? The commander or the Department can do that and is doing that?

Secretary DuBOIS. Yes. In fact, we make adjustments in between the analytic annual cycle. If an installation commander comes to us and says, I have got a problem, we will deal with it.

Mr. ABERCROMBIE. Okay. Perhaps you could just make a summary of where those things have taken place and what they were and give it to the chairman to pass on. I would be grateful.

Anecdotal, I can tell you that it worked in Hawaii when we actually did move forward with family housing on base and the barracks changes and so on. I know because the landlords and the real estate people complained that the rents were dropping in the private sector, that they were dropping; and of course, I said that was the whole idea, to keep civilian families and military families from competing for the same nonexistent rental housing or highly restricted rental housing.

So if you could do that, I would be grateful.

Secretary DuBOIS. Yes, sir.

[The information referred to can be found in the Appendix beginning on page 87.]

Mr. ABERCROMBIE. On page 13 the INRMPs, the Integrated Natural Resource Management Plan, again, we had a pretty extensive discussion in the last session concerning the Marine Mammal Protection Act, so on and so forth. Again, I realize your testimony has to be presented in a general sense, but perhaps if you could again provide the chairman and the subcommittee with the information on the contention here.

If I understood it correctly, you have pretty much gone through the INRMPs as to what you wanted to do, clarifying the regulatory criteria and so on, the definition of harassment. Have you com-

pleted these management plans with respect to sonar and the impact on whales and other sea creatures?

Secretary DUBOIS. The Department of the Navy has spent in excess of \$10 million over the last 10 years doing research in conjunction with Cornell University, Scripps and Woods Hole on the impact of the so-called Surveillance Towed Array Sensor System (SURTASS) Low Frequency Active (LFA) sonar—not so-called, the SURTASS LFA sonar technology. I would defer to Secretary Johnson, H.T. Johnson, when he appears before you to give you a more detailed answer.

Mr. ABERCROMBIE. Okay. Could you kind of give him a heads up.

Secretary DUBOIS. Absolutely.

Mr. ABERCROMBIE. And to the degree or extent that you have some responsibility here, pass on—you may be doing this as a matter of course, anyway, to the committee; I don't know. But I would certainly appreciate that if you could be instrumental or be a catalyst in seeing that that information comes forward.

You indicated in your testimony, I am not sure which page, and it may have been that you said it in addition to that which was written in the formal testimony. With regard to the overseas military facility review, did you say that you thought this might be ready in May? Do I have that correct?

Secretary DUBOIS. Yes, I did.

Mr. ABERCROMBIE. Okay.

Secretary DUBOIS. That is my best estimate based on where we have come from and how far we have gotten, quite frankly.

Mr. ABERCROMBIE. Okay. That is part of the last area that I want to go into.

I am very concerned—not me personally, but I meant, I am sure I express a concern that reflects the committee's, as well as your own interests with regard to base capacity and possible closure.

In this instance, it is with openings. I have had, unfortunately, some very sad experience in dealing with Uzbekistan and some of these areas with regard to immigration, student visas, individuals coming to Hawaii, East-West Center and so on, student activity, as well as other situations involving immigration and foreign students. And by that I mean, these countries are ruthless dictatorships. There is no other way to put it.

Now, I understand we have got strategic interests to take a look at and all the rest. But when we are talking about capacity and we are engaged in this review, the overseas military facility structure, can you illuminate for me a little bit better, are these basing arrangements in places like Turkmenistan or Uzbekistan, are they—maybe a better way to phrase it is, how permanent do we think these base arrangements are going to be?

I think—and I realize you can't say, well, okay here is the date certain; I understand that. But you get what I mean in terms of building, the money we have to put forward for military construction and so on. There is more than an element of expectation as to how long those buildings will be there, that kind of thing.

How does the Department define permanent? What kind of arrangements are we going to make, the physical arrangements, are we going to make, given the fact that our relationships with these

countries are, at best, instrumental and, at worst, highly tentative, depending on what the governmental structure might be tomorrow.

And where does that fit into your formulation or speculation with regard to determining what capacity is or is not in making recommendations for BRAC?

Secretary DUBOIS. Quick answer: We want to—the Secretary wants to minimize the impact, the financial impact, to the American taxpayer with respect to overseas military construction, in a short answer.

Number two, he, however, wants to maximize—and they aren't necessarily exclusive. He wants to maximize the flexibility for the deployment and forward basing and forward force projection of American military.

You would think that they would necessarily be in conflict. We have found, as most of you know, that during OPERATION ENDURING FREEDOM and OPERATION IRAQI FREEDOM some countries were impediments to the deployment and pass-through of our force structure.

The Secretary, I think being a good businessman, says, I want multiple opportunities not only to leverage a negotiation for potential forward operating locations, but I also want to be in places where they want us to be.

There will not be, in my judgment, a major operating bases built in some of these countries that you have mentioned. There will, however, be basing agreements, assembly point agreements—

Mr. ABERCROMBIE. Would these be more like staging operations than operational facilities?

Secretary DUBOIS. They could very well be.

Mr. ABERCROMBIE. Okay. Last thing on that. Well, you get my point.

Secretary DUBOIS. I do.

Mr. ABERCROMBIE. Is that going to be taken into account when you make your report? Will you be making the report on the review of the overseas military facility structures?

I mean, is that more, is that your responsibility within the DOD structure?

Secretary DUBOIS. It is a combined responsibility of the Joint Staff, the Office of the Under Secretary of Defense, Policy, Program Analysis and Evaluation, and Installations and Environment; the four of us, working with the services and combatant commanders, are pulling that together.

The Secretary, I believe—I am confident has promised the Congress that he is going to brief you on his conclusions once the President has approved it.

Mr. ABERCROMBIE. Okay. Ten seconds more, Mr. Chairman.

Then you will be taking into account your analysis with respect to capacity and instructing the BRAC commission and so on to take the things we have just discussed into account, right?

Secretary DUBOIS. Yes, sir.

Mr. ABERCROMBIE. Okay. And then I think—I am sorry, Mr. Chairman. That is the main thing that I wanted to make certain that we were going to have before us. Thank you.



Mr. HEFLEY. Thank you, Mr. Abercrombie, and thank you Mr. DuBois. We appreciate your being with us today. And we look forward to seeing you again.

Secretary DUBOIS. On the 25th. Thank you, Mr. Chairman.

Mr. HEFLEY. I would like to now welcome our second panel, representing the Department of the Air Force. We have the Honorable Nelson F. Gibbs, Assistant Secretary of the Air Force for Installations, Environment, and Logistics; Major General Dean Fox, the Air Force Civil Engineer; Brigadier General David A. Brubaker, the Deputy Director, Air National Guard; and Brigadier General William A. Rajczak, the Deputy to the Chief of the Air Force Reserve. I understand that each of our witnesses has a brief statement for the subcommittee, and so again, without objection, their complete statements will be put in the record.

And we will start, I believe, with Mr. Gibbs.

**STATEMENT OF HON. NELSON F. GIBBS, ASSISTANT SECRETARY OF THE AIR FORCE, INSTALLATIONS, ENVIRONMENT, AND LOGISTICS**

Secretary GIBBS. Thank you very much, Mr. Chairman, Mr. Ortiz, members of the committee. I had a 48-page statement I was going to read, but I will try to cut it down.

Mr. HEFLEY. Much appreciated.

Secretary GIBBS. I thought so.

I appreciate the opportunity to appear before you to discuss the Air Force fiscal year 2005 military construction program. Air Force missions and Air Force members around the world depend upon this committee's understanding and support of our infrastructure program. We appreciate your support for the military construction efforts, which are essential to supporting our people and our missions.

The Air Force total force military construction and military family housing programs are essential to Air Force operational needs, workplace productivity and quality of life. The Air Force has always acknowledged the importance of robust funding for facility sustainment and recapitalization. In past years, we have found in many cases that higher priorities have not permitted us to address all of the problems we face with aging infrastructure. In the past 3 years, however, we have begun to turn the corner with yearly military construction and family housing program requests in excess of \$2 billion.

We are continuing this trend in fiscal 2005. We are requesting more than \$2.5 billion for total force military construction and military family housing, a \$175 million increase over last year's budget request. In addition, we have maintained our focus on operations sustainment restoration and modernization funding. The 2005 fiscal year budget request includes \$2.2 billion in critical maintenance and repair to our operations and maintenance program so that we may begin to reduce the backlog of repairs to our infrastructure.

When one considers the level of effort across the entire infrastructure spectrum—military construction, military family housing, and operations and maintenance, sustainment restoration and modernization—we plan to invest more than \$4.8 billion in our in-

frastructure in fiscal year 2005, certainly subject to your concurrence.

In conclusion, Mr. Chairman, on behalf of the Air Force, I thank the committee for its strong support of Air Force military construction and family housing. At this point, I would like to introduce you to the Air Force Civil Engineer, my partner in guiding the Air Force infrastructure program, Major General Dean Fox.

[The prepared statement of Secretary Gibbs can be found in the Appendix on page 43.]

Mr. HEFLEY. General Fox.

#### **STATEMENT OF MAJ. GEN. DEAN FOX, THE AIR FORCE CIVIL ENGINEER**

General FOX. Good afternoon, Mr. Chairman and members of the subcommittee. My comments will be rather brief in the overall testimony.

I, too, appreciate the opportunity to appear before you to discuss the Air Force's fiscal year 2005 active duty military construction program. The support you have given to the Air Force missions and people—and I underline both of those, missions and people—around the world has been tremendous.

Our active duty military construction and military family housing programs are critical to the Air Force mission, whether it is on the flight line where we do our operational day-to-day missions, whether it is in the workplaces, other workplaces, on our bases in community support activities or in the home; and your support is appreciated. We train and we fight from our bases, whether that is home bases or deployed locations; and that makes our facilities very, very critical to our mission. Our active duty military construction and housing budgets increased in fiscal year 2003 and fiscal year 2004 and further in this year's program request of nearly two point four billion.

In conclusion, Mr. Chairman, thank you and thanks very much to the committee for strong support of the Air Force military construction program and our housing programs. This is my first year to bring the Air Force program before your committee, and I consider it both an honor and a privilege to do so. I sincerely appreciate your strong support and, like Mr. Gibbs, I will be happy to address your questions.

Mr. HEFLEY. General Brubaker.

#### **STATEMENT OF BRIG. GEN. DAVID A. BRUBAKER, DEPUTY DIRECTOR, AIR NATIONAL GUARD**

General BRUBAKER. Mr. Chairman, members of the committee, I appreciate the opportunity to appear before you.

And Mr. Ortiz, General James sends his personal regards.

Mr. HEFLEY. General Brubaker, you want to check and see if your—

General BRUBAKER. Okay. On behalf of the 107,000 men and women in the Air National Guard, I want to thank you for your continued dedication to providing facilities that enhance training, enable us to support and defend our great Nation.

For fiscal year 2005 the President's MILCON budget request for the Air National Guard contains 9 projects for a total of \$127 mil-

lion. These projects, 3 projects totaling almost \$77 million, are required to support the C-5 aircraft beddown at Memphis International Airport, Tennessee, and Martinsburg Regional Airport, West Virginia. This is a continuation of the beddown process of the C-5 at these two locations.

This program request also funds 5 projects, totaling almost \$27 million, to support the city and state requirements of the air sovereignty alert missions at Duluth International Airport, Minnesota; Atlantic City International Airport, New Jersey; and Truax Field, Wisconsin. These sites have been operating out of temporary facilities.

The President's budget request also included one current mission project totaling \$4 million for Otis Air National Guard Base, Massachusetts, to address airfield obstructions. The remaining \$19 million is for planning and design and unspecified minor construction. These funds are needed to complete design of the fiscal year 2006 construction program and to start design of the 2007 projects. The unspecified minor construction program is our primary means of funding small, unforeseen projects that cannot wait for normal MILCON. Our facilities are critical to sustaining the readiness of our airmen and to maintain the many different weapons systems that the Air National Guard operates.

I am here today to ask for this committee's support to help the Air National Guard remain ready, reliable and relevant for the total force.

In closing, I would like to thank you again, members of this committee, for your continued and unwavering support. We are confident that the men and women in the Air National Guard will always meet the challenges set before them as an air expeditionary force, domestic guardian and caring neighbor protecting the United States of America at home and abroad. Thank you.

Mr. HEFLEY. Thank you.

General Rajczak.

#### **STATEMENT OF BRIG. GEN. WILLIAM A. RAJCZAK, DEPUTY TO THE CHIEF OF AIR FORCE RESERVE**

General RAJCZAK. Thank you, Mr. Chairman. And Mr. Chairman and distinguished members of the subcommittee I appreciate the opportunity to again appear before you and to thank you for your continued support.

The Air Force Reserve continues to make significant contributions to the total Air Force mission with nearly 14,000 personnel deployed thus far in support of OPERATION ENDURING FREEDOM and OPERATION IRAQI FREEDOM. The integrated MILCON request is a continued effort to balance readiness, transformation recapitalization and infrastructure. The facilities in which we train reservists are critical to our single tier of readiness.

The President, the fiscal year 2005 request, contained 11 projects that cost nearly \$85 million. Nine of these are for new missions and two are for current support. These include facilities at Wright-Patterson, March, Portland International Airport and Lackland.

On behalf of over 74,200 reservists at home and abroad, I appreciate this committee's interest in our citizen airmen and in modernizing our facilities and infrastructure. Our Air Force mission



and people deserve the very best facilities we can provide. I sincerely thank you for your dedicated support in making that possible.

Mr. HEFLEY. Thank you very much.

Mr. Gibbs, I have got to ask you a parochial question because you would be disappointed if I didn't. But Lowrey Air Force Base was closed in 1994, and really, in most ways, has been a model of redevelopment around the country. But as you well know, after the facility was turned over to the redevelopment authority, developers began to build houses. Houses are there.

It was discovered that there was asbestos in the soil, and that was traced back to an old hospital that had been on that site that no one really—I guess somebody knew about, the plans were there somewhere, but we really didn't know about it when it was transferred over. And the idea was that there was an understanding that the site would pose no risk to public health when it was turned over.

When it was discovered and they were already under way, the redevelopment authority and the developers had spent about \$4 million on sampling and remediation and other costs.

We have talked to you about this before, but what does the Department plan to do, if anything, in the way of reimbursing these expenses that were incurred due to no fault of their own, just because something was overlooked when the transfer was made? If you could, help me with that.

Secretary GIBBS. I can't say I am not surprised at the question.

Mr. HEFLEY. I said I didn't want to disappoint you.

Secretary GIBBS. No, I didn't think so. There were two sets of activities that occurred.

All of the comments that you made are factually correct, as far as I know. The hospital that was torn down was torn down in the late 1950's or 1960's. It was known that was torn down; what was not recognized at the point in the middle-to-latter 1990's, when it was turned over, was that in that time frame, in the 1950's or 1960's, it was an accepted practice for buildings that had basements, when you tore it down, if there was a bunch of stuff left over, you just bulldozed it in the hole and you covered it up. So it was not expected. It was whatever was left.

That is no longer the way anyone, whether they be in the military or civilian construction, does that kind of thing. So what, as I understand it, occurred is that they found—one of the contractors found at the time that they uncovered this, they stuck their finger in the ground, so to speak, and turned it over and they found that there was some asbestos there.

We tried to work with the local people at the time, and it got out of hand. It didn't get handled quickly enough by the Air Force, and it just got out of hand. We tried to get it back under control, but it had snowballed to an extent.

Unfortunately, the Department of the Air Force cannot unilaterally pay claims that are filed retrospectively for previously incurred costs. We can, on our own recognizance, only pay them for prospective costs when we reach an agreement. We attempted to do that, and that was not acceptable to the people on the ground at that point to bifurcate.

So the Air Force has moved ahead. The process that is being followed, the process that must be followed is the Department of Justice has been brought in to review the claims. The Department of the Air Force, Departments of Defense and Justice are working their way through to make a determination as to which or how much of the claims can be satisfied short of litigation. That process is ongoing.

There have been several discussions with and documentation requested from the individual developers, and given that process, we are trying to move it ahead as quickly as we can.

To move on to more current times, and I am not sure you are aware of this, but we have changed our policies now to try to ensure that that kind of situation does not occur in the future. There was another find at Lowrey in another area. The Air Force immediately became involved and did its investigation. We have made a determination that there is a presumption that this asbestos is the result of a similar kind of situation with a mobile home park that existed on a specific site, and we are moving ahead to do the remediation now.

Mr. HEFLEY. Well, thank you. And I want to get your response on the record there because this is something that continues to perplex us out there as we try to get this thing solved. And if we could have done it quicker, before houses were actually on the ground, we would all be happier; but we understand the situation.

Secretary GIBBS. Well, that kind of situation unfortunately may recur. I don't mean necessarily at Lowrey; it may recur someplace else because it was a practice that existed in those days.

There is a second level that we are working on with this. There really is no—there is no regulation that relates to this kind of activity. There is no regulation related to asbestos in the ground. So the Air Force has undertaken—it has requested cooperation from both the state regulatory authorities and the Environmental Protection Agency to participate in a risk assessment to try to do an evaluation of this. We have a preliminary report back, but it is going to take about nine months further on.

We hope to add to the general knowledge of, really, what is the risk of this type of situation and how does it get treated in the future. It is something we recognize that we should do. But I couldn't promise you that somebody some place, nor could I promise you somebody someplace in downtown Denver, digging a hole, couldn't come across the same situation.

Mr. HEFLEY. Thank you very much.

Mr. Ortiz.

Mr. ORTIZ. I just have a very short question.

Now, I think that the Air Force, when we talk about the national guard—and the reserve unit has the best timetable as far as when they are activated—when you talk to the pilots, they either go for 30—I mean, 3 months, 90 days, and rotate.

But do you have a timetable for those that have been activated as to how long they are going to serve once they are activated?

Secretary GIBBS. First I would like to say on the activation of the reserve forces that have been activated forces, about 25 percent have volunteered of those that are currently serving on active duty. The others, it depends upon the particular skill and the particular



location that get done. We attempt to minimize that amount of time.

General Brubaker, do you want to comment.

General BRUBAKER. The activations range anywhere from two weeks up to a year. We have had a lot of volunteerism, as Secretary Gibbs has noted, but it depends upon the skill and where they are needed. But we are filling them very well.

Mr. ORTIZ. Thank you very much.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman.

Just briefly, if I may, because, obviously, this is a more appropriate panel for a question that I had for Secretary DuBois, so probably first directed at you General Brubaker, but, Secretary Gibbs, I would like to have your comments as well.

Is there a policy under way or a thought of one that will begin to draw in Air National Guard bases that are close to major Air Force installations and combine them? If so, could you just make me familiar with what your thinking is and what your planning process is to avoid having to basically, if that is the case, build something brand new within 10 or 15 miles of where you already have something that is pretty functional.

General BRUBAKER. Right. We do not have an Air National Guard policy that says an Air National Guard base has to move to an active duty base within a certain distance. We do have a transformational program called Vanguard where we are asking all our states to examine within their states opportunities where we could get synergy, but if it does not make sense, there is no forcing action on that. But all of the states are looking for transformational opportunities.

Mr. COLE. That is good to hear. I would just ask you to be very careful when you make that determination. That is something that will look pretty good on paper; and I think we leave you gentlemen, frankly, very unfunded. I think we all wish you were, frankly, a little bit more aggressive in your requests in terms of infrastructure, which is an unusual thing for us to say, but I appreciate your prudence.

But my experience is sometimes when you combine these things together not only, you know, we might end up having to build something again but, more importantly, when the request comes it does not always take all the component parts into consideration the way it would if they were separate. It is just easier to sometimes push them through.

I am always afraid, frankly, that the guard would tend to be under prioritized in that situation. It is always a danger. I do not think it would be deliberate, but it is a possibility.

General BRUBAKER. Thank you, sir. I appreciate your comments.

Secretary GIBBS. I will comment further. There is no overall Air Force policy either that would say that we would do that, but there is, as part of the transformation effort, an ongoing process that is looking at some experimental activities that have occurred. You may be aware of a blended wing for the Joint Surveillance and Target Attack Radar System (JSTARS) down at Warner Robins down in Georgia. There are other activities like that.



Now, first and foremost, we look to the mission and the military requirement for something to occur. The secondary determination would be one that is economic.

Mr. COLE. Thank you.

One question more if I may, Secretary Gibbs. Could you just quickly give me a brief overview of what your plans are for the infrastructure, upgrades and developments within the air depot system, within the three major bases. That has been an area that we have underfunded for a long time, and we are really stretching these folks now, given the operations tempo that we have.

Secretary GIBBS. Two years ago when I came up to this committee, there was a brief discussion on that topic; and I had promised that we would provide something the Air Force had been providing for a number of years and that was a depot maintenance strategy. That was delivered to the chairman of the committees in August of 2001.

One of the parts of that depot strategy was that the Air Force made a commitment that it was setting aside \$150 million in order to do exactly what you said. Now it is not limited solely to construction of physical facilities. It is to upgrade or to bring to a more modern structure the overall ability of the depots to perform that which we ask them to do. We are going into the third year of that now.

I did learn since that time a little bit more about how budgets are put together. So although we have always gone in with 150, we have always ended up with about \$3 or \$4 million less than that because I find after the budget is finally approved somebody comes through and says, well, you have got to take the hit for the change in the value of money. This year, 2004, we ended up with \$146.5 million for various projects. In 2005, the \$150 million as it has been presented to you is still there, but in the end we will end up with a few million dollars less. There is a commitment. We said it was a five-year commitment. We intend to honor it.

Mr. COLE. One last point if I may, and I would not take the committee's time on this. But if you could, since I was not here in August of 2001, it would be very helpful if I could have my office get in contact with you and, just frankly, get a little briefing on that, what our status is and how you see things developing.

Secretary GIBBS. I will be happy to do that, and we will send a copy of the study over to your office.

Mr. COLE. Thank you very much, Mr. Secretary. Thank you, Mr. Chairman.

Mr. HEFLEY. Thank you.

Mr. Taylor.

Mr. TAYLOR. I want to thank you gentlemen for sticking around this long.

As a point of clarification to Mr. Cole's point, I heard there is no national guard policy, I heard there is no Air Force policy, but what about within DOD as a whole? Are you being encouraged or is there any talk within DOD as a whole about the consolidation of Air National Guard bases with Air Force bases if they are within a certain amount of distance from each other?

Secretary GIBBS. I am not aware of any activity that would be looking at that specifically.

Mr. TAYLOR. Are any of you gentlemen?

Secretary GIBBS. There is within the process of the structure for looking and preparing for the 2005 BRAC run—there is a joint cross-service group that is looking at headquarters facilities. It may be that they would come across that activity, but I am not aware of any direction or any indication that that is an outcome.

Mr. TAYLOR. Are any of you gentlemen—

General BRUBAKER. I have had no conversations about that outside of the Air Force and the Air National Guard. So I am unaware of any.

Mr. TAYLOR. So this was the first time I have heard of this today when Congressman Cole brought it up. Have any of you gentlemen heard any rumors to that effect?

General RAJCZAK. No, sir.

General FOX. Congressman Taylor, I have not heard rumors to that effect. I agree with Mr. Gibbs' comment that the joint cross-service working groups as a natural part of BRAC will look. I do know of some instances where it has been advantageous to an airport or to the state for the Air National Guard, for example, to move onto a base, but typically the airport or the city in that state has initiated that issue. It is not a benefit from the Air Force perspective.

Mr. TAYLOR. Secretary Gibbs.

Secretary GIBBS. There was a specific one, going back, the City of Chicago actually asked us to move out of O'Hare Airport, the guard unit, and paid for it. That was the case, and it was moved onto an Air Force base. That was back six or seven years ago.

Mr. TAYLOR. Secretary Gibbs, without wasting the committee's time, you heard my concerns about the privatization of housing at Keesler. I would ask that somebody get back to me. I just cannot see how that would be in anyone's best interest, particularly the taxpayers.

Secretary GIBBS. Can I ask for clarification? Because I did not hear your question.

Mr. TAYLOR. At Keesler Air Force Base, sir.

Secretary GIBBS. No, but the specific term. You referred to rental of units, and I am not sure what you meant.

Mr. TAYLOR. An announcement has been made by the local base commander that housing would be closed and that the base would go out and rent houses instead. Again, just as an individual, I know I am better off owning or trying to own rather than renting. I just do not see how in the long term that this is in anybody's best interest.

Secretary GIBBS. I am glad I did ask for clarification, because there are really two questions there. One relates to the process that the Air Force went through last year, it goes through repetitively, continuously as we go through it, and that is to look at the housing requirements analysis. Specifically for Keesler, what we found—what was found by the agency that does the housing analysis is that there was more adequate housing available in the community so that the Air Force did not need to provide as much housing to its members. We follow the policy that we look to the community first to provide housing. To the extent that the community does not have the infrastructure or the capability to provide ade-

quate housing, then we, the Air Force, will provide that housing for them either through privatization or through military construction.

Mr. TAYLOR. I think you are missing the point. This is the case of closing down existing on-base housing.

Secretary GIBBS. That is correct.

Mr. TAYLOR. And moving out.

The second problem I see with that is, to a very large extent—and this is a commendable thing of the Air Force—the Air Force, realizing how much their folks are deployed, adopts them. They are the family. They take care of the family when the spouse or the husband, in most instances, or the wife is away. That runs completely contrary to that by spreading them all over south Mississippi instead of right there on the base where we know to take the wife when it is time to have a baby, where we know the kids are at the end of the school day. We know that they are safe. So for a number of reasons I think that is bad policy.

Again, I will welcome you to tell me it is good policy. In fairness, I will let you know that you are starting off, in my eyes, that this is a dumb idea.

Secretary GIBBS. Unfortunately, sir, in this case I cannot tell you whether it is bad or good, but that is the policy. We look to the community first. The Air Force provides housing for less than one-third of its personnel.

Mr. TAYLOR. If you were starting from scratch, that might make sense. You are not starting from scratch.

The last thing to the point, I do want to agree with Congressman Abercrombie, it is supply and demand. And I have witnessed us, the Air Force, literally chasing its tail to try to keep up with adequate compensation for those people who live off base. Because every time we raise the allowance for quarters the rents go up. I am not certain we are getting better apartments for the money, and I am not certain that it is bringing more apartments on line.

Again, when we have the option of doing this on base, on property we already own, I do not see how it makes sense. I will give you all the time you want in my office to tell me why it does.

Thank you, sir.

Secretary GIBBS. You are quite welcome.

Mr. HEFLEY. Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

Thank you all for being here.

Secretary Gibbs, I think this is your chart here. Can you see that one? Do you have that with you? We got this from the Air Force. The question I want to ask is—

Secretary GIBBS. Go ahead. He will pick it up.

Dr. SNYDER. We have one going down here.

My question is about what is going on in the 2005 proposal. What is the dip there? Then what are your comments about the drop in 2005 and, of course, there will be some adds there I expect, and then the big push up for '06, '07, '08 and '09, and it has been pushed back each time. Do you have any thoughts about why 2005 is a drop? Do you have any comments on that?

Secretary GIBBS. General Fox will answer that.

General FOX. Dr. Snyder, your question is why the low funding in 2005 compared to previous years?



Dr. SNYDER. More importantly, what is going on in '06, '07, '08 and '09?

Secretary GIBBS. That I will respond to.

General FOX. The 2005 program that you see on that bar chart is about \$89 million more than what this panel would have briefed you a year ago. So the Air Force did increase its 2005 MILCON program from this time a year ago. It is approximately the same if you look at the green part of that bar. It is within \$2 million of the same amount as the original President's budget request in 2004.

The difference that you see there is we enjoyed some plus-ups in 2004, \$292 million in the global war on terrorism supplemental. That is the white bar that you see, the white portion. Congress was extremely good to the Air Force, and we sincerely appreciate it. We had over \$400 million worth of congressional adds in 2004. So our end result certainly makes 2005 look like it is down in the dumps.

Dr. SNYDER. How about, Mr. Secretary, with regard to '06, '07, '08 and '09?

Secretary GIBBS. Dr. Snyder, I would like to take the first part of that question for the record because the chart that you have is not the one that I have. That was just handed to me.

The reason that I turned it over to General Fox is the number 664 is nothing I have ever seen before. I believe the number is 784. That is why we will get back to you with the correction. I apologize.

Dr. SNYDER. That would be great.

[The information referred to can be found in the Appendix beginning on page 87.]

Secretary GIBBS. In terms of the '06 through '09, the last 5 years of the FYDP, the Air Force intends to meet the goals that DOD has laid out for us in terms of improving our infrastructure. We intend to meet the requirement to get to a 67-year recapitalization rate by 2008. We also intend to meet the requirement for eliminating, as someone referred to earlier today, the internal readiness report C categories, to eliminate C3 and C4 categories by 2012. This is the program that it takes to do that. We have every intention of fulfilling that. Now we need to ramp up to it because we have to have the capability to manage this level of activity.

Dr. SNYDER. I understand.

I want to ask a couple of Little Rock-specific questions. In your written statement you have mentioned several housing projects, that three more have been completed. You mention Elmendorf, Robins and Dyess. Three more under construction: Wright Patterson, Patrick and Kirkland. And then that the budget contains money for privatization of 7,000 units at 6 bases: Tyndall, Scott, Columbus, Keesler, Holloman and Fairchild, I think.

But I do not see Little Rock on the list. I was thinking Little Rock was in the queue and we were about to let a contract. Can someone answer specifically about Little Rock Air Force Base?

Secretary GIBBS. Little Rock is in the queue.

Dr. SNYDER. But it is not mentioned in your statement here for having funding coming out this next year, on page 11 of your written statement. I was thinking we were close enough that we would have to have some money in there to fund that the beginning of this year. Am I wrong on that?

Secretary GIBBS. Actually, no, you are not incorrect. Little Rock is in with a group that falls in between these two categories. We already have the funding budgeted to do the privatization on a group of about five or six projects.

What this does is it—and I apologize for the construct. This is what we have completed, this is what we have signed contracts for, and then it leaps over to the bases we are asking for funding in 2005. The Little Rock funding would be in 2002 or 2003 or something, but it is my understanding that Little Rock should certainly come down during 2005.

Dr. SNYDER. That is what I thought, too.

My last question is—well, I guess I have two questions: Where do child care facilities fit into your plan as you are looking ahead to this budget cycle and the next budget cycles? Also, I do not know if you heard the conversation I had with Mr. DuBois about the joint facilities for community support and military support. Is that something that is being entertained? We certainly are talking about it at Little Rock. I think they are trying to come up with something. Do you have any thoughts about those?

Secretary GIBBS. Yes, it is certainly being entertained. There are a number of things I can think of offhand. Wright Patterson Air Force Base a number of years ago, because of the type of mission it had and the transient population that went in there, it needed a hotel. So it went in, effectively developed it, provided the land, used a private developer to develop the hotel; and basically they carved a piece out because the developer could not make it on just the Air Force. They said we have to be able to offer it to other people. So we have done that.

There is an activity going on at Kirkland Air Force Base now for an industrial educational park similar to what you are describing. So, yes, we entertain those things at all times. There is another activity being contemplated for Hill Air Force Base.

Dr. SNYDER. What kind of priority are we putting on child care facilities in this budget?

Secretary GIBBS. Child care facilities have a relatively high priority within the Air Force. I do not have specifics.

General FOX. Dr. Snyder, child care facilities, normally what we do is decentralize the prioritization of those to our major commands, and we support those as a very high quality-of-life requirement if the major commands bring them forward in their requirement list.

Dr. SNYDER. Thank you.

Mr. HEFLEY. Thank you, Dr. Snyder.

Thank you, gentlemen, for being here today. It has been very helpful, and we look forward to seeing you again.

The committee stands adjourned.

[Whereupon, at 4:16 p.m., the subcommittee was adjourned.]

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# **A P P E N D I X**

**FEBRUARY 26, 2004**

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

FEBRUARY 26, 2004

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**Department of the Air Force**

**Presentation to the Committee on Armed Services  
Subcommittee on Readiness  
United States House of Representatives**

**Subject:       FY 2005 Air Force Budget Overview  
                  for Military Construction**

**Statement of:  THE HONORABLE NELSON F. GIBBS  
                  ASSISTANT SECRETARY OF THE AIR FORCE  
                  (INSTALLATIONS, ENVIRONMENT & LOGISTICS)**

**26 February 2004**

**Not for publication until released by the  
Committee on Armed Services  
United States House of Representatives**



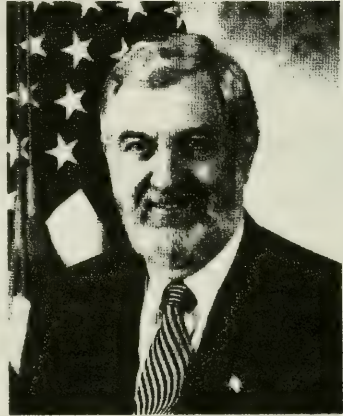
## BIOGRAPHY

UNITED STATES AIR FORCE

### NELSON F. GIBBS

Nelson F. Gibbs is Assistant Secretary of the Air Force for Installations, Environment and Logistics, Washington, D.C. As Assistant Secretary, he heads three division departments that deal at the policy level with Air Force facility and logistical issues. The department's responsibilities include installations, military construction, base closure and realignment; environment, safety and occupational health issues; and all logistical matters.

Mr. Gibbs was born in Rochester, N.Y. He is a graduate of Clarkson and Purdue universities. After two years of commissioned service in the U.S. Army, he began his career in private industry. Mr. Gibbs served in a variety of positions for Deloitte & Touche, an accounting, tax and consulting firm, from 1962 to 1991. He joined Northrop Grumman Corp., an aerospace and defense company, in 1991, and was the Corporate Controller until 1999. He left private industry for public service with the Office of Management and Budget, where he served as Executive Director of the Cost Accounting Standards Board until he was confirmed in his current position in 2001.



### EDUCATION

1959 Bachelor of civil engineering, Clarkson University, Potsdam, N.Y.

1962 Master of science degree in industrial management, Purdue University, West Lafayette, Ind.

### CAREER CHRONOLOGY

1. 1959 - 1962, U.S. Army officer
2. 1962 - 1970, General Management and Financial Systems Consultant, Deloitte & Touche, Los Angeles, Calif.
3. 1971 - 1981, Audit Partner, Deloitte & Touche, Los Angeles, Calif.
4. 1982 - 1985, Director of Audit Operations, Deloitte & Touche, Los Angeles, Calif.
5. 1986 - 1987, Lead client Service Partner, Deloitte & Touche, Los Angeles, Calif.
6. 1988 - 1991, Senior Partner, Deloitte & Touche, Tokyo, Japan
7. 1991 - 1999, Corporate Controller, Northrop Grumman Corp., Los Angeles, Calif.
8. 1999 - 2001, Executive Director, Cost Accounting Standards Board, Office of Management and Budget, Washington, D.C.
5. 2001 - present, Assistant Secretary of the Air Force for Installations, Environment and Logistics, Washington, D.C.

### PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

Certified Public Accountant, State of California (Current as of October 2001)

## **Introduction**

Mr. Chairman, members of the committee, I appear here today to discuss with you the Air Force FY2005 military construction budget request. First, let me thank you for your continued commitment to the Air Force military construction program, without which we couldn't execute the full range of Air Force missions. In turn, the Air Force continues to maintain the commitments made last year to invest wisely in installations from which we project air and space power, take care of our people and their families with adequate housing and quality of life improvements and to sustain the public trust through prudent environmental management.

## **Overview**

The strength and flexibility of airpower and joint warfighting success in the Global War on Terrorism is directly enabled by three interdependent factors; outstanding men and women in uniform, superior weapons platforms and an agile support infrastructure. Air Force facilities, housing and environmental programs are key components of the support infrastructure. At home, bases provide a stable training environment and a place to equip and reconstitute our forces. Overseas bases provide force projection platforms to support the combatant commanders.

As such, the Air Force has developed an investment strategy that focuses on sustaining and recapitalizing existing infrastructure, investing in quality of life improvements, continuing strong environmental management, accommodating new missions, optimizing use of public and private resources and reducing infrastructure wherever we can.

Total Force military construction, military family housing, sustainment, restoration and modernization programs each play vital roles supporting operational requirements and maintaining a reasonable quality of life for our men and women in uniform.



While the Air Force has always acknowledged the importance of proper funding for facility sustainment and recapitalization, too often competing priorities have not permitted us to address all the problems we face with our aging infrastructure. Despite competing priorities, you supported the majority of our request last year and even assisted with further increases. The Air Force sincerely appreciates your support.

Continuing a positive trend into FY 2005, the Air Force military construction program is approximately the same as last year with an increase in the military family housing program. We are requesting \$2.6 billion for Total Force military construction and Military Family Housing, a \$200 million increase over last year's request. The request includes \$664 million for Active military construction, \$127 million for Air National Guard military construction, more than \$84 million for Air Force Reserve military construction, and more than \$1.7 billion for Military Family Housing. The Air Force has maintained Operations and Maintenance (O&M) sustainment, restoration, and modernization (SRM) funding. This year, the amount dedicated to SRM is more than \$200M greater than in the 2004 request. With the FY 2005 budget request, more than \$2.2 billion will be invested in critical infrastructure maintenance and repair through our O&M program. This year's request is up almost 11 percent from last year, to continue to move to the Air Force goal of a facility recapitalization rate of 67 years by 2008.

When one considers the level of effort across the entire infrastructure spectrum (military construction, MFH, and O&M SRM), the Air Force is requesting more than \$4.8 billion in FY 2005.

*Overseas Military Construction*

The quality of installations overseas remains a priority. Even though the majority of our Air Force personnel are assigned in the United States, 20 percent of the force is permanently assigned overseas, including 29,000 Air Force families. Old and progressively deteriorating infrastructure at these bases requires increased investment. While a new Global Basing Strategy is under development by the Office of the Secretary of Defense, the Air Force FY 2005 military construction request invests in overseas installations supported as enduring locations by the combatant commanders. The request for overseas construction in the Pacific and European theaters of operation is \$140 million for 13 projects. The program consists of infrastructure and quality of life projects in the United Kingdom, Germany, the Azores, Italy, Spain, Japan, and Korea. I also want to thank you for the essential overseas MILCON funding you approved in the FY2004 Supplemental Appropriations Bill for construction projects in Southwest Asia as well as at critical en route airlift locations, needed to directly support ongoing operations in that region.

*Planning and Design/Unspecified Minor Construction*

This year's request includes planning and design funding of \$160 million. These funds are required to complete design of the FY 2006 construction program, and to start design of the FY 2007 projects so we can be prepared to award these projects in the year of appropriation. This year's request also includes \$24 million for the unspecified minor construction program, which is the primary means of funding small, unforeseen projects that cannot wait for the normal military construction process.

**Sustain, Restore, and Modernize our Infrastructure*****Operations and Maintenance Investment***

To sustain, restore, and modernize infrastructure, there must be a balance between military construction and Operations and Maintenance. Military construction restores and recapitalizes facilities. O&M funding is to perform facility sustainment activities necessary to prevent facilities from failing prematurely. Without proper sustainment, facilities and infrastructure wear out more quickly. O&M funding is also used to directly address many critical restoration and less-expensive recapitalization needs. These funds enable commanders in the field to address the facility requirements that impact their near-term readiness.

The need to sustain and operate existing facilities has outstripped O&M funding, therefore causing deferral of much-needed restoration and modernization requirements. The restoration and modernization backlog has grown to nearly \$9 billion, so it is important for us to steadily increase O&M facility investment. In FY 2005, the sustainment, restoration and modernization share of the Air Force O&M funding is \$2.2 billion, an increase of 11 percent over FY2004.

**Invest in Quality of Life Improvements**

The Air Force recognizes a correlation between readiness and quality of life. Quality of life initiatives acknowledge the sacrifices our airmen make in support of the nation and are pivotal to recruiting and retaining our country's best and brightest. When Airmen and women deploy, they want to know their families are safe, and secure. Their welfare is a critical factor in



our overall combat readiness. Family housing and dormitories and other quality of life initiatives reflect the Air Force commitment to provide the facilities they deserve.

### *Family Housing*

The Air Force Family Housing Master Plan provides the road map for our Housing military construction, O&M, and privatization efforts and are designed to meet the goal of ensuring safe, affordable, and adequate housing is available for our members. The FY 2005 budget request reflects an increase of more than \$180 million over the FY 2004 budget for family housing. With the exception of four northern-tier locations, inadequate housing will be eliminated in the United States by 2007. The inadequate units at those four northern-tier locations will be eliminated by 2008.

For FY 2005, the \$847 million requested for housing investment will provide over 2,200 units at 16 bases, improve more than 1,300 units at six bases, and support privatization of nearly 6,800 units at six bases. An additional \$864 million will be used to pay for maintenance, operations, utilities and leases to support family housing.

### *Dormitories*

Just as we are committed to provide adequate housing for families, we have a comprehensive program to house our unaccompanied junior enlisted personnel. The Air Force is well on its way in implementing a Dormitory Master Plan. The plan includes a three-phased dormitory investment strategy. The three phases are: (1) fund the replacement or conversion of all permanent party central latrine dormitories; (2) construct new facilities to eliminate the deficit

of dormitory rooms; and (3) convert or replace existing dormitories at the end of their useful life using an Air Force-designed private room standard to improve quality of life for airmen. Phase 1 is complete and we are now concentrating on the final two phases of the investment strategy.

The total Air Force requirement is 60,200 dormitory rooms. We currently have a deficit of 2,352 rooms, and the existing inventory includes 2,700 inadequate rooms. It will cost approximately \$735 million to execute the Air Force Dormitory Master Plan which will achieve the Office of the Secretary of Defense's (OSD) FY 2007 goal to replace all inadequate permanent party dormitory rooms and the Air Force goal to replace all inadequate technical training dormitories by FY 2009. The investment needed to achieve OSD's goal is \$386M and the investment needed to achieve the Air Force goal is \$349M. This FY 2005 budget request moves us closer to those goals. The FY 2005 dormitory program consists of seven dormitory projects, 1104 rooms, at both stateside and overseas bases in direct support of single unaccompanied personnel, for a total of \$128 million.

#### *Fitness Centers*

Fitness centers are a critical component of the Air Force quality of life program. The Chief of Staff of the Air Force has recognized that the growing expeditionary nature of our activities will require that airmen increasingly deploy to all regions of the world, in extreme environments and therefore must be physically prepared to deal with the associated challenges. In other words, airmen must be "fit to fight." The Chief of Staff's fitness program directs airmen to devote more time and energy to being physically fit, and the use of our fitness centers has dramatically increased to support this reorientation in our culture. The FY 2005 military

construction program includes three fitness centers: Lajes Air Base, Azores; Hill Air Force Base, Utah; and Elmendorf Air Force Base, Alaska.

### **Continue Environmental Leadership**

The Air Force continues to ensure operational readiness and sustain the public trust through prudent environmental management. As part of the overall military transformation program, we actively seek and employ smarter solutions to long-standing environmental challenges. We are applying lessons learned in terms of how and the extent to which pollution can be prevented contamination can be controlled. We are investing in more efficient contracting approaches as a key element in our approach to future environmental restoration. Additional use of performance based contracting will focus on cleanup performance goals and thereby reduce process requirements. Finally, we are establishing systems to better identify the equity value of our installations' environmental resources to the surrounding community. For example, land that provides habitat for an endangered species may be valuable as open space in a community's redevelopment plan. That value should be identified and understood.

In addition to ensuring our operations comply with all environmental regulations and laws, we are dedicated to enhancing our existing relationships with both the regulatory community and the neighborhoods around our installations. We continue to seek partnerships with local regulatory and commercial sector counterparts to share ideas and create an atmosphere of better understanding and trust. By focusing on our principles of ensuring operational readiness, partnering with stakeholders, and protecting human health and the environment, we remain leaders in environmental compliance, cleanup conservation, and pollution prevention.



The environmental project (\$3.3 million) in the FY 2005 military construction program will allow Shaw Air Force Base to meet current Environmental Protection Agency (EPA) standards for wastewater discharge.

### **Accommodate New Missions**

As I mentioned earlier, joint warfighting success in the Global War on Terrorism has been possible in part due to superior weapons platforms. New weapons systems are the tools of combat capability that enable our combatant commanders to respond quickly to conflicts in support of national security objectives. The FY 2005 Total Force new mission military construction program consists of 45 projects, totaling more than \$403 million. These projects support a number of weapons systems; two of special significance are the F/A-22 Raptor and the C-17 Globemaster III.

The F/A-22 Raptor is the Air Force's next generation air superiority fighter. Tyndall Air Force Base, Florida, will house the F/A-22 flying training program. Sheppard Air Force Base, Texas, will be the location for F/A-22 maintenance training. Langley Air Force Base, Virginia, will be home for the first operational squadrons. The FY 2005 military construction request includes two F/A-22 projects at Tyndall AFB for \$19 million, and one F/A-22 project at Sheppard AFB totaling \$21 million.

The C-17 Globemaster III aircraft is replacing the fleet of C-141 Starlifters. C-17s will be based at Elmendorf Air Force Base, Alaska; Travis Air Force Base and March Air Reserve Base in California; Dover Air Force Base, Delaware; Hickam Air Force Base, Hawaii; Jackson Air National Guard Base, Mississippi; McGuire Air Force Base, New Jersey; Altus Air Force Base,

Oklahoma; Charleston Air Force Base, South Carolina; and McChord Air Force Base, Washington. Thanks to your support, construction requirements for Charleston and McChord were funded in prior-year military construction programs. The request for FY 2005 includes two projects for \$15 million at Elmendorf AFB, two facility projects for \$15 million at Travis AFB, two projects for \$10 million at March AFB, and five facility projects for \$26 million at Hickam AFB.

Other new mission requirements in FY 2005 include the Global Hawk beddown at Beale Air Force Base, California; Predator force structure changes at Indian Springs Air Force Auxiliary Field, Nevada; Combat Search and Rescue aircraft beddown at Davis-Monthan Air Force Base, Arizona; C-130J simulator facility at Little Rock Air Force Base, Arkansas; Joint Strike Fighter facilities at Edwards Air Force Base, California; and various projects supporting Homeland Defense, such as the Air Sovereignty Alert missions flown by the Air National Guard at Andrews Air Force Base, Maryland; Duluth International Airport, Minnesota; Atlantic City International Airport, New Jersey; and Truax Field, Wisconsin.

### **Optimize Use of Public and Private Resources**

In order for the Air Force to accelerate the rate at which we revitalize our inadequate housing inventory, we have taken a measured approach to housing privatization. We started with a few select projects, looking for some successes and "lessons learned" to guide the follow-on initiatives. The first housing privatization project was awarded at Lackland Air Force Base, Texas, in August of 1998, and all 420 of those housing units have been constructed and are occupied by military families. Since then, we have completed three more projects (Elmendorf

AFB, Alaska; Robins AFB, Georgia; and Dyess AFB, Texas) and have three more under construction (Wright-Patterson AFB, Ohio; Patrick AFB, Florida; and Kirtland AFB, New Mexico). Once these three projects are complete, there will be nearly 5,500 privatized units. We are on track to privatize 60% of our US based family housing by 2007. The FY 2005 budget request includes \$83 million to support the privatization of nearly 7,000 units at six bases: Tyndall AFB, Florida; Scott AFB, Illinois; Columbus AFB, Mississippi; Keesler AFB, Mississippi; Holloman AFB, New Mexico; and Fairchild AFB, Washington.

### **Continue Demolition of Excess, Uneconomical-to-Maintain Facilities**

For the past eight years, The Air Force has pursued an aggressive effort to demolish or dispose of facilities that are unneeded and no longer economically feasible to sustain or restore. From FY 1998 through FY 2003, we demolished 15.5 million square feet of non-housing building space at a total cost of \$200M. This is equivalent to demolishing more than three average size Air Force installations. For FY 2004 and beyond, we will continue to identify opportunities for demolition and facility consolidation. In general, the facility demolition program has been a success, enabling us to reduce the strain on infrastructure funding by getting rid of facilities we don't need and can't afford to maintain.

### **Conclusion**

In conclusion, Mr. Chairman, I thank the committee for its strong support of the Air Force military construction, housing and environmental programs. The near and long term readiness of our fighting force depends upon this infrastructure. We will continue to be good



managers of our installations' assets and the environment and will continue to work hard to ensure Air Force infrastructure is properly distributed to optimize military readiness as well as meet our nation's defense needs. I am prepared to take your questions.

HOLD UNTIL RELEASED  
BY THE COMMITTEE

**STATEMENT OF**

**MR. RAYMOND F. DUBOIS**  
**DEPUTY UNDER SECRETARY OF DEFENSE**  
**(INSTALLATIONS AND ENVIRONMENT)**

**BEFORE THE SUBCOMMITTEE ON**  
**READINESS**  
**OF THE HOUSE ARMED SERVICES COMMITTEE**

**February 26, 2004**

Mr. Chairman and distinguished members of this Subcommittee, I appreciate the opportunity to discuss the President's Budget request for fiscal year 2005 and the plan of the Department of Defense for improving its infrastructure and facilities. The Department is continuing with its efforts in transforming the force structure to meet new security challenges and transforming the way we do business. In Installations and Environment, this translates into a renewed emphasis on taking care of our people, providing facilities to support the warfighter by eliminating facilities we no longer need and improving those that we do, and modernizing our business practices -- all while protecting the environment and those assets for which we have stewardship responsibility.

At the outset, I want to express the Department's appreciation for the strong support of this Subcommittee for our initiatives. With regard to infrastructure, the Department has a defined strategy to address the condition of our installations and facilities. These issues are an integral component of readiness. Installations are the "platforms" from which our forces successfully deploy to execute their diverse missions. Over many years, our facilities declined due to competing priorities and poor understanding of funding requirements, but we are significantly improving our military infrastructure through focused attention to best practices drawn from standard business models. Continuing to improve our facilities and military readiness is a priority of the Secretary of Defense.

The Department currently manages nearly 600,000 buildings and structures with a plant replacement value of \$630 billion, and over 46,000 square miles of real estate. As you know, we have developed models and metrics to predict funding needs and have



established goals and performance measurements that place the management of Defense infrastructure on a more data driven business basis. We accelerated our goal to eliminate nearly all inadequate housing from fiscal year 2010 to 2007. By the end of FY 2005, we will have reduced the number of inadequate housing units to roughly 61,000 or 64% from our FY 2002 level of 168,000 inadequates.

The Department's facilities sustainment budget funds annual maintenance, predictable repairs and normal component replacements. We have increased funding for facilities sustainment consistently since fiscal year 2002, sustaining facilities at an average of 89 percent, and this year's budget request raises that rate to 95 percent for each of the Military Services, TRICARE Management Activity and the Department of Defense Education Activity.

Restoration and modernization – i.e. recapitalization – funds unpredictable repairs, improvements and total facility replacements. We have continued to improve our management of the recapitalization of the inventory. The budget request improves the recapitalization rate to 107 years and we anticipate achieving our 67 year recapitalization goal in FY 2008.

### **INFRASTRUCTURE INVESTMENT STRATEGY**

The Department's recent successes were made possible through effective management and prudent budgeting. Our investment strategy links the asset management plan to actual funding.

The traditional view of the Military Construction and Family Housing appropriation funding requests for fiscal years 2004 and 2005 shows a slight increase in this year's request. The Military Construction and Family Housing top-line is but one indicator of the health of our program. However, it does not represent a comprehensive approach to our management practices for the infrastructure as a whole.

**Comparison of Military Construction and Family Housing Requests**  
(President's Budget in \$ Millions – Budget Authority)

	<b>Fiscal Year 2004 Request</b>	<b>Fiscal Year 2005 Request</b>
<b>Military Construction</b>	<b>4,574</b>	<b>4,877</b>
<b>NATO Security Investment Program</b>	<b>169</b>	<b>166</b>
<b>Base Realignment and Closure</b>	<b>370</b>	<b>246</b>
<b>Chemical Demilitarization</b>	<b>0*</b>	<b>82</b>
<b>Family Housing Construction/Improvements</b>	<b>1,251</b>	<b>1,625</b>
<b>Family Housing Operations &amp; Maintenance</b>	<b>2,780</b>	<b>2,547</b>
<b>Homeowners Assistance</b>	<b>0</b>	<b>0</b>
<b>Family Housing Improvement Fund</b>	<b>0.3</b>	<b>0.3</b>
<b>TOTAL</b>	<b>9,144</b>	<b>9,460</b>

Note: FY 2004 Request column represents the FY 2004 Amended Budget Submission

\*Chem-Demil included in Military Construction totals for FY 2004. For FY 2005 Chem-Demil has a separate Treasury code.

**Facilities Support Investment and Operating Expenses**

Managing our facilities assets is an integral part of asset management. Facilities are the “platforms” from which our forces deploy and execute their missions. The quality of our infrastructure directly affects training and readiness. In addition, from a purely financial perspective, it is more cost effective in the long term to fully fund the general upkeep of facilities than to allow them to deteriorate and replace them when they are unusable.

### **Sustainment and Recapitalization Request**

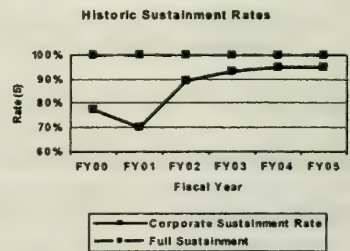
(President's Budget in \$ Millions)

	<b>Fiscal Year 2004 Request</b>	<b>Fiscal Year 2005 Request</b>
<b>Sustainment (O&amp;M-like<sup>1</sup>)</b>	<b>6,382</b>	<b>6,531</b>
<b>Restoration and Modernization (O&amp;M-like)</b>	<b>1,012</b>	<b>1,243</b>
<b>Restoration and Modernization (MilCon)</b>	<b>2,350</b>	<b>3,161</b>
<b>TOTAL SRM</b>	<b>9,744</b>	<b>10,935</b>

Facilities sustainment, using operations and maintenance-like<sup>2</sup> appropriations, fund the maintenance and repair activities necessary to keep an inventory in good working order. It includes regularly scheduled maintenance and major repairs or replacement of facility components that are expected to occur periodically throughout the life cycle of facilities. Sustainment prevents deterioration and preserves performance over the life of a facility.

To forecast funding requirements for sustainment, we developed the Facilities Sustainment Model (FSM). FSM uses standard benchmarks drawn from the private and public sectors for sustainment costs by facility type and has been used to develop the Service budgets since fiscal year 2002 and for several Defense Agencies beginning in fiscal year 2004.

Full funding of sustainment is the



<sup>1</sup> Includes O&M as well as related military personnel, host nation, and working capital funds.

<sup>2</sup> Includes O&M as well as related military personnel, host nation, and working capital funds.

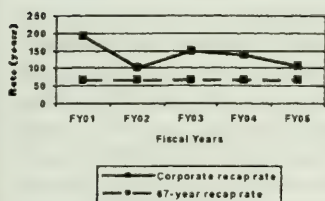


foundation of our long-term facilities strategy, and we have made significant progress in achieving this goal. The fiscal year 2004 budget request funded sustainment at an average of 94 percent of the FSM benchmarks across the Services, Defense Logistics Agency, TRICARE Management Activity, and the Department of Defense Education Activity. The fiscal year 2005 budget request of \$6.5 billion improved this by standardizing sustainment funding at 95 percent for each of the Components, and we plan to achieve full sustainment in the near term.

Restoration and modernization, together called recapitalization, provides resources for improving facilities and is funded with either operations and maintenance or military construction appropriations. Restoration includes repair and replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident or other causes. Modernization includes alteration of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years.

Recapitalization is the second step in our strategy. Similar private sector industries

Historic Recapitalization Rates



replace their facilities every 50 years, on average.

With the types of facilities in the Defense Department, engineering experts estimate that our facilities should have a replacement cycle of about 67 years on average.

As with sustainment, we have improved the corporate recapitalization rate for the third straight year. The budget request includes funding of \$4.4 billion for fiscal year

2005. The request improves the recapitalization rate from 136 years last year to 107.

When we began our focused attention on this matter, the Department's recapitalization rate stood at 192 years. Our out-year budget plan would realize the target rate of 67 years in fiscal year 2008.

Even with full sustainment and a 67-year recapitalization rate, it will take time to restore the readiness of our facilities from C-3 and C-4 status to C-2. Sustainment stops deterioration and a 67-year recapitalization rate stops obsolescence, but more is needed to restore readiness in the near term. Thus, the third step in our plan is to accelerate the recapitalization rate to restore existing facilities to at least C-2 readiness, on average, by the end of fiscal year 2010.

### **Improving Quality of Life**

One of our principal priorities is to support military personnel and their families and improve their quality of life. Our Service members deserve the best possible living and working conditions. At the outset of this Administration, the President and Secretary Rumsfeld identified military housing and privatization of that housing as a central priority for the Department. Sustaining the quality of life of our people is crucial to recruitment, retention, readiness and morale. To that end, the Department is committed to providing quality housing using our ongoing approach – increasing the basic allowance for housing and eliminating the out-of-pocket expense for off-base housing (where over 60% of our Service members live); increasing the number of, and accelerating the pace of, housing

privatization projects; and maintaining military construction funding for family housing where necessary.

The FY 2005 budget keeps the Department on track to eliminate nearly all its inadequate military family housing units by FY 2007, with complete elimination of some inadequate housing overseas in FY 2009. The budget continues the Department's extensive use of privatization to advance this goal and to obtain maximum benefit from its housing budget.

In January 2003, the Department had about 168,000 inadequate family housing units (out of a total of 273,000 housing units worldwide). At the start of FY 2004, through housing privatization and our military construction program, we have reduced that number to roughly 120,000. This number will continue to come down as we pursue the Secretary's goal of eliminating nearly all inadequate housing by 2007.

The FY 2005 budget request will eliminate the out-of-pocket housing costs for the average military member through changes in the basic allowance for housing, a key component of the Department's approach to quality housing. The fiscal year 2005 budget request includes necessary funding to ensure that the typical Service member living in the private sector, where approximately 60% of our members live, will have zero out-of-pocket housing expenses. Eliminating out-of-pocket expenses is good for military personnel, but also serves to strengthen the financial profile of the housing privatization program by providing members the ability to pay appropriate market rents.

Privatizing military housing is a priority for the President and the Secretary and is an integral part of the Administration's Management Plan. The Department has skillfully



used privatization to advance this goal and obtain maximum benefit from its housing investment. Our housing privatization program is crucial to providing a decent quality of life for our service members.

We believe our housing privatization efforts have now achieved identified success, with installation commanders and Service members welcoming privatization efforts to revitalize their family housing. As of February 10, 2004, the Department has awarded 27 projects, which include 55,081 military family housing units (a 50% increase over our privatized units as of January 2003). . We project by the end of FY 2007 to have privatized over 160,000 housing units.

These projects may be awarded by the date of this testimony, or by April 2004. We project 20 more privatization awards in fiscal year 2004, and over 25 in 2005 – bringing our cumulative total end of year FY 2005 to about 136,000 units privatized. We project by the end of FY 2005 the Department will have privatized over 52% of its existing housing inventory.

During fiscal year 2005, we expect several other bases to have their renovations and construction completed or close to completion, including those at Fort Carson, Colorado. Our policy requires that privatization projects yield at least three times the amount of housing as traditional military construction for the same amount of appropriated dollars. Recent projects have demonstrated that leveraging is normally much higher. The first 27 projects we've analyzed thus far reflect an average leverage ratio of over 11 to 1. Tapping this demonstrated leveraging potential through our 27 awarded projects to date has permitted the Department, in partnership with the private

sector, to provide housing for about \$539 million of military construction funding that would otherwise have required over \$6.2 billion for those awarded projects if the traditional military construction approach was utilized.

Military construction is another tool for resolving inadequate military housing. In fiscal year 2005, we are requesting \$4.1 billion in new budget authority for family housing construction and operations and maintenance. This funding will enable us to continue operating and maintaining the Department's family housing as well as meeting the goal to eliminate inadequate housing by 2007 – three years earlier than previously planned.

We recognize that a key element in maintaining the support of the Congress and of the private sector is the ability to define adequately the housing requirement. The Department's longstanding policy is to rely primarily on the private sector for its housing needs. Currently, 60% of military families reside in private sector housing, and that number will increase as we privatize the existing inventory of housing units owned by the Military Departments. Only when the private market demonstrates that it cannot provide sufficient levels or quality of housing should we consider the construction, operation, and maintenance of government-owned housing.

An improved housing requirements determination process, following the Deputy Secretary's January 2003 memorandum, combined with increased privatization, is allowing us to focus resources on maintaining the housing for which we have a verified need rather than wasting those resources duplicating private sector capabilities. The improved housing requirement process is being used by the Department to better

determine the number of family housing units needed on installations to accommodate military families. It provides a solid basis for investing in housing for which there is a verified need – whether through direct investment with appropriated funds or through a privatization project.

By aligning the housing requirements determination process more closely with the analysis utilized to determine basic allowance for housing rates, the Department is better positioned to make sound investment decisions necessary to meet the Secretary's goal to eliminate nearly all inadequate housing by 2007. Further, as more military families opt to reside in the private sector as housing out-of-pocket expenses decrease for the average member, the Services on-base housing requirement should generally also decline. This migration should permit the Services to better apply scarce resources to those housing units they truly need to retain.

### **Range Sustainment**

Another key initiative is our effort to ensure access to needed test and training ranges and installations to support both current and future requirements. This involves mitigating the effects of encroachment around these facilities, and posturing our test and training infrastructure for sustainable operations.

Training provides our soldiers, sailors, airmen and marines the combat skills they need to win and return safely to their families. Experience has taught us that realistic training saves lives. Training, however, requires substantial resources; air, land and water



where military forces can train as they would fight – replicating the challenges, stress, discomfort, physical and psychological conditions of actual combat.

Encroachment at installations, training ranges and test sites, however, interferes with the ability of our military to train and execute their missions. Encroachment comes from many sources – environmental, urban and suburban sprawl, airspace restrictions, and the frequency spectrum. Endangered species and their critical habitats in or near gunnery or bombing ranges also can reduce test and training access. As access is restricted due to encroachment, training opportunities for our men and women in uniform become increasingly limited in terms of time, scope, or realism with cumulative impact on military readiness.

The Department deeply appreciates the action of Congress in adopting key provisions in both the fiscal year 2003 and fiscal year 2004 National Defense Authorization Acts that were part of the Administration's Readiness and Range Preservation Initiative (RRPI). These provisions are key enablers of range sustainability. For example, one of the most useful provisions for countering physical encroachment due to incompatible development is Section 2811 of the 2003 Act. This provision allows the Services to take a proactive role in developing programs to protect installations and ranges from urban sprawl by working with states and non-governmental organizations to promote sound land use.

To assist the Services in implementing this authority and forming compatible land use partnerships at the state and local level, the President's FY 2005 Budget request includes a new initiative of \$20 million targeted to our new authority – to assist in

developing new policies, partnerships, and tools to assist communities and other interested stakeholders in executing compatible land use partnerships around our test and training ranges and installations. The new request is intended to build upon on-going efforts – innovative win/win partnerships with our neighbors to enhance conservation and compatible land use on a local and regional basis

Last year, the National Defense Authorization Act for Fiscal Year 2004 included important clarification of the Marine Mammal Protection Act's (MMPA) definition of Level B Harassment. This action allows the Navy to continue to test and train with active sonar, by clarifying regulatory criteria that were previously based on imprecise statutory language in the Act's definition of harassment. The Congress also added a national security exemption to the MMPA for military activity in time of national emergency, an exemption provided in other major environmental legislation that was not present in the original and reauthorized versions of the act. The Fiscal Year 2004 National Defense Authorization Act also authorized the use of Integrated Natural Resource Management Plans (INRMPs) in lieu of Critical Habitat designation, if approved by the Secretary of the Interior, thereby allowing ranges and installations to effectively manage their natural resources while supporting military readiness.

Another significant environmental accomplishment is in the area of natural resources, where we are working to ensure continued access to our critical test and training ranges, supporting our readiness mission. The Department currently manages more than 30 million acres of lands which are important to military training and readiness. We have completed integrated natural resource management plans (INRMPs),

as required by the Sikes Act, at 95% of our installations. INRMPs provide a management framework for our resources for no net loss of test and training opportunities. Legislation in The National Defense Authorization Act for Fiscal Year 2004 authorized the use of INRMPs to substitute for critical habitat designation under the Endangered Species Act, if those plans meet certain preparation and implementation requirements and the Secretary of the Interior determines that the DoD INRMP provides a benefit to the relevant species. DoD is preparing an INRMP strategic plan to ensure that its installations coordinate with all interested stakeholders, complete in a timely manner the next round of updates to our existing INRMPs due in 2006, and fund all required projects.

Clearly, to protect our military we must also protect our all important test and training ranges. Substantial urban growth and other “encroachment” around previously isolated ranges have strained our ability to conduct necessary testing and training essential to maintaining readiness. In response to this challenge, we are working to expand efforts to sustain our training mission and protect the valuable natural resources entrusted to our care. Both are required as we endeavor to ensure that our men and women in uniform get the best training available. Our troops deserve the best.

### **Improving Environmental Management**

The Department continues to be a leader in every aspect of environmental management. We are proud of our environmental program at our military installations and are committed to pursuing a comprehensive environmental program.



**Environmental Program - Summary of Request<sup>3</sup>**  
(President's Budget in \$ Millions – Budget Authority)

	Fiscal Year 2004 Request	Fiscal Year 2005 Request
<b>Environmental Restoration</b>	1,273	1,305
<b>BRAC Environmental<sup>4</sup></b>	412	322
<b>Compliance</b>	1,603	1,665
<b>Pollution Prevention</b>	173	169
<b>Conservation</b>	153	169
<b>Technology</b>	190	188
<b>International</b>	3	4
<b>TOTAL</b>	<b>3,807</b>	<b>3,822</b>

In fiscal year 2005, the budget request includes \$3.8 billion for environmental programs. This includes \$1.3 billion for cleanup, \$0.3 billion for BRAC environmental, \$1.6 billion for compliance; about \$0.1 billion for pollution prevention, and about \$0.1 billion for conservation.

By the end of fiscal year 2003, we reduced the number of new federal and state Notices of Violations (NoVs) by 80% percent from the 1992 baseline. The Department's success is due to an aggressive self audit program, which includes root cause analysis and corrective action plans. While the number of new NoVs decreased, the number of regulatory inspections increased by 12 % in fiscal year 2003. Even as regulators are increasing their oversight, they are finding more installations in full compliance. In fiscal year 1994, every 100 inspections resulted in 37 new enforcement violations. In fiscal year 2003, every 100 inspections resulted in only 8 new enforcement violations.

<sup>3</sup> Includes operations and maintenance, procurement, RDT&E, and military construction funding.

<sup>4</sup> Funding levels reflect total requirement (TOA).

We also have improved our treatment of wastewater, with over 94% of our permits in full compliance. In calendar year 2002, we provided drinking water for over 2 million people worldwide and less than 5% of the population received notices that the water exceeded a drinking water standard at some point during the year. To further protect people, assets, and mission, DoD is conducting vulnerability assessments and developing emergency response plans for all systems serving 25 consumers or more; far beyond the requirement in the Safe Drinking Water Act to assess systems serving a population greater than 3,300 persons.

We reduced the amount of hazardous waste we dispose of by over 68 percent since 1992, reducing the cost to manage these wastes. The Department diverted over 41% of all the solid waste generated from landfills to recycling; thereby avoiding over \$138 million in landfill costs. These pollution prevention techniques continue to save the Department needed funds as well as reduce pollution. We increased the number of alternative fueled vehicles that we acquire to 77% of all non-tactical vehicles acquired, exceeding the requirement in the Energy Policy Act of 75%.

The Department's commitment to its restoration program remains strong as we reduce risk and restore property for productive use by future generations. We are exploring ways to improve and accelerate cleanup with our regulatory and community partners. Achieving site closure and ensuring long-term remedies are challenges we continue to face. Conducting environmental restoration activities at each site in the program requires accurate planning, funding, and execution of plan.

The Department must plan its activities years in advance to ensure that adequate funding is available and used efficiently. As an example, instead of waiting for federal and state regulation to determine cleanup standards before beginning planning for perchlorate restoration, in September 2003 the Department required the Military Components to assess the extent of perchlorate occurrence at active and closed installations, and Formerly Used Defense sites. We will use the data collected to determine priorities and funding requirements for our cleanup responsibilities. As soon as perchlorate standards are determined, the Department will be ready to request the appropriate funding and begin execution. In addition, the Department has invested \$27 million to research potential health effects, environmental impacts, and treatment processes for perchlorate. The remediation technologies we are testing in several states continue to increase the effectiveness of treatment. We are putting ourselves in the best possible position to respond to any new requirement established by regulatory agencies.

The Defense Environmental Restoration Program goals assist the Components in planning their programs and achieving funding for activities. We achieved our goal to reduce 50 percent of high risk sites at active installations by the end of fiscal year 2002 and are on track to achieve 100 percent by the end of fiscal year 2007. At the end of FY03, 83 percent of BRAC sites requiring hazardous waste remediation have a cleanup remedy constructed and in place, and 78 percent have had all necessary cleanup actions completed in accordance with Comprehensive Environmental Response, Compensation, and Liability Act (CERLA) standards.



We also are working to mitigate unexploded ordnance (UXO) on our military ranges. Our operational ranges are designed to train and make combat-ready our nation's warfighters and prepare them for combat. UXO on ranges is a result of our military preparedness training activities. However, we are actively developing ways to minimize the amount of UXO on our operational test and training ranges. The Department is developing policies on the periodic clearance of UXO for personnel safety and to ensure chemical constituents do not contaminate groundwater.

To address UXO problems at locations other than operational ranges, Formerly Used Defense Sites, some BRAC installations, and closed ranges on active installations – we have the Military Munitions Response Program (MMRP). We are currently developing goals and metrics for the program to track our progress to completion and finishing the prioritization protocol that will allow us to sequence sites by risk. We have an inventory of our munitions response sites, which we shared with the states and EPA, and have made available to the public. This inventory is being updated as we reconcile our list with the states. Even though the UXO cleanup program is in the early stages of development, considerable progress has been made in cleaning up MMRP sites at our BRAC installations and Formerly Used Defense Sites (FUDS). As of the end of FY2003, DoD has fulfilled its cleanup obligations at over 120 of the approximately 195 identified MMRP sites at BRAC installations, and has cleanup actions underway at 27 sites. These sites were identified prior to FY2001 as having UXO contamination and the Department has been making steady progress to eliminate their hazards—almost 65% of the BRAC MMRP inventory has been addressed. A similar situation can be found at FUDS sites,

where 45% of the MMRP sites identified have had all cleanup actions completed. Over, 790 of the 1,753 FUDS sites with currently identified UXO contamination have been addressed, and another 36 are undergoing cleanup actions.

In addition, we are developing new technologies and procedures through the Environmental Security Technology Certification Program and the Strategic Environmental Research and Development Program. Over 60% of the investments in these programs focus on projects to sustain ranges and range operations. These, along with the Army and Navy's Environmental Quality Technology Programs, have helped us make tremendous strides for realizing our goal to reduce current and future environmental liability.

Across the Department, we are actively implementing environmental management systems based on the "plan-do-check-act" framework of the international standard for environmental management systems (ISO 14000). Our objective is to transform environmental management in the Department of Defense from an activity external to the mission to a systematic process that is fully integrated with mission planning and execution. This transformation is essential for the continued success of our operation at home and abroad. Our new management systems target reduction in our day-to-day compliance costs and long-term environmental liabilities by increasing environmental awareness and mobilizing all Defense organizations and employees to reduce environmental impacts through improved control of day-to-day mission activities. The Military Departments and Defense Logistics Agency reported this year that they will implement management systems at roughly 625 installations. Over 50 percent of these

installations issued environmental management system policies during 2003, or prior years, and all are moving forward with full-scale implementation. To date, 26 installations have implemented environmental management systems.

### **Utilities Privatization and Energy Management**

The Department seeks to reduce its energy consumption and the associated costs, while improving utility system reliability and safety. To accomplish this, the Department of Defense is developing a comprehensive energy strategy that will continue to optimize utility management by conserving energy and water usage, improve energy flexibility by taking advantage of restructured energy commodity markets when opportunities present themselves and modernize our infrastructure by privatizing our deteriorated and outdated utilities infrastructure where economically feasible.

With approximately 2.2 billion square feet of facilities, the Department is the single largest energy user in the nation. Conserving energy in today's high-priced market will save the Department money - money that can be better invested in readiness, facilities sustainment, and quality of life. Our efforts to conserve energy are paying off; in Fiscal Year 2003 military installations reduced consumption by 1 percent resulting in a 2.7 percent decrease in the cost of energy commodities from Fiscal Year 2002. With a 26.1 percent reduction in Fiscal Year 2003 from a 1985 baseline, the Department has, thus far, maintained a positive track to achieve the 2005 and 2010 facility energy reduction goals stipulated by Executive Order 13123.



The comprehensive energy strategy will support the use of meters to manage energy usage at locations where the monitoring justifies the cost of installing, maintaining and reading the meter. Metering in itself does not save energy, however use of meters can be beneficial to determine accurate billing, perform diagnostic maintenance, and enhance energy management by establishing baselines, developing demand profiles, ensuring accurate measurement for reporting, and providing feedback to users.

The Department has a balanced program for energy conservation—installing energy savings measures using appropriated funding and private-sector investment—combined with using the principles of sustainable design to reduce the resources used in our new construction. Energy conservation projects make business sense, historically obtaining about four dollars in life-cycle savings for every dollar invested. The Fiscal Year 2005 budget contains \$60 million for the Energy Conservation Investment Program (ECIP) to implement energy saving measures in our existing facilities. This is a 20 percent increase from the FY 2004 congressionally appropriated amount of \$50 million, partly because of the performance of the program to date and because of the focused management effort for continued success. The Department will also continue to pursue renewable energy technologies such as fuel cells, geo-thermal, wind, solar, and purchase electricity from these renewable sources when it is life-cycle cost-effective. In Fiscal Year 2003 military installations used 3.2 trillion British Thermal Units of renewable energy, and project an increase in FY 2004. The pursuit of renewable energy technologies is critical to the Department's and Nation's efforts in achieving energy flexibility.

The Department has reaffirmed its preference to modernize military utility systems through privatization. Following on revised guidance signed by the Deputy Secretary of October 2002, the DoD Utilities Privatization Program has made solid progress. The Services have greatly simplified and standardized the solicitation process for obtaining industry proposals. The Request for Proposal templates have been clarified to improve industry's ability to obtain private sector financing and manage risks. Of 2,602 utility systems serving the DoD, 435 systems have been privatized and 739 were already owned by other entities. Over 900 systems are currently under solicitation as each Service and the Defense Logistic Agency continue aggressive efforts to reach privatization decisions on all systems by September 2005.

## CONCLUSION

The Department is transforming its installations and business practices through an asset management strategy, and we are beginning to see the results of that transformation. We are achieving the President's goal to provide quality housing for our service members and their families, and we have made positive progress toward our goal to prevent deterioration and obsolescence and to restore the lost readiness of our facilities. We also are transforming our environmental management to become outcome oriented, focusing on results. We are responding vigorously to existing encroachment concerns and are putting a long-term installation and range sustainment strategy into effect.

The Base Realignment and Closure effort leading to the delivery of the Secretary's recommendations to the independent Base Closure Commission in May 2005 is a key

means to transform our infrastructure to be more flexible to quickly and efficiently respond the challenges of the future. Together with the Global Defense Posture Review, BRAC 2005 will make a profound contribution to transforming the Department by rationalizing our infrastructure with Defense strategy.

In short – we have achieved significant accomplishments over the last three years, and we are well on our way to achieving our goals across the Installations and Environment Community.

In closing, Mr. Chairman, I sincerely thank you for this opportunity to highlight our successes and outline our plans for the future. I appreciate your continued support of our installations and environment portfolio, and I look forward to working with you as we transform our plans into actions.



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**QUESTIONS AND ANSWERS SUBMITTED FOR THE  
RECORD**

FEBRUARY 26, 2004

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## QUESTIONS SUBMITTED BY MR. HEFLEY

Mr. HEFLEY. The fiscal year 2005 military construction and family housing budget is approximately \$9.5 billion, or about \$200 million less than the amount appropriated in fiscal year 2004. It is also \$1.4 billion less than the amount projected for fiscal year 2005 in the fiscal year 2004 budget.

Can you explain the rationale behind the continued reduction in military construction and family housing budgets, considering the poor state of DoD facilities?

Secretary DuBOIS. The budget submitted by the Administration with the fiscal year 2005 shows an increase in requested funds for military construction and family housing projects from the fiscal year 2004 budget. However, there is a broader strategy for the improvement of DoD facilities with an increased emphasis on improving sustainment rates and increasing restoration and modernization funding. Our investment in facilities is not reflected solely in the funding requested for military construction and family housing.

Mr. HEFLEY. Can you explain why the proposed fiscal year 2005 budget for military construction and family housing is substantially lower than the amount projected for fiscal year 2005 in the fiscal year 2004 budget?

Secretary DuBOIS. The proposed budget for fiscal year 2005 included in the fiscal year 2004 budget submission contained numerous projects in overseas theaters. With current efforts to study the overseas requirements as part of the Integrated Global Presence and Basing Study, many of those overseas projects previously proposed were not included in the fiscal year 2005 submission.

Mr. HEFLEY. Last year's FYDP showed substantial increases to military construction and family housing accounts from fiscal year 2006 through fiscal year 2009. The FYDP accompanying the fiscal year 2005 budget request indicates that the anticipated increases are now much smaller approximately \$7 billion less over the four year period.

Can you explain this reduction in future year funding for military construction and family housing?

Secretary DuBOIS. The FYDP submitted by the Administration with the fiscal year 2005 budget request shows a steady increase in the funding requested for military construction and family housing programs. The projected budget in fiscal year 2004 contained numerous projects in overseas theaters. Many of these projects were not included in the fiscal year 2005 based on current study efforts as part of the Integrated Global Presence and Basing Study.

Mr. HEFLEY. Do you believe that the proposed funding levels will be sufficient to support what has been advertised as a large 2005 BRAC round, including environmental remediation costs associated with base closures?

Secretary DuBOIS. The FY 2006 budget will not be developed until later this year. It will contain the funds required to begin implementation of BRAC 2005 decisions.

Mr. HEFLEY. The Department will reach the funding cap on the family housing privatization program in early fiscal year 2005, either slowing or halting the program. How will the Department proceed if Congress does not eliminate or raise the cap?

Secretary DuBOIS. If the Family Housing Improvement Fund (FHIF) budget cap is not raised, the Department of Defense (DOD) is considering a number of less effective alternatives/options to continue to address our inadequate housing. Any of the options noted below will slow the revitalization of the housing inventory and improvement in the quality of life for Service members. Some of these alternatives/options include:

- Alternative 1: DOD could cease privatizing housing when the FHIF cap of \$850 Million (as of April 1, 2004—we have used \$610 Million of the Cap) is exceeded. Under this alternative, Military Construction (MilCon) family housing will likely continue to age and not receive proper maintenance thereby more and more housing would become inadequate. The Military Services would use MilCon to revitalize the inventory, albeit at a slower rate than the inventory becomes inadequate.
- Alternative 2: DOD could continue privatizing under the existing cap using one or more methods which are less effective and/or efficient than the current



one. First, the services could revitalize the inventory by allowing much more extended build-out periods of 20 to 30 years to address all inadequate housing, rather than the current 5 to 10 years. This would have the effect of filling the construction "development gap" with time rather than private capital. Second, the services could gain additional leveraging of appropriations by subsidizing their privatization projects with debt, which would likely achieve a more favorable credit score up front. This would disrupt some of the services' current methods of deal structuring and cause delays as they adjusted to entirely new and less preferred approaches of implementing the program.

- Alternative 3: DOD could execute projects which allow the developer to demand rent from the member tenants in excess of their basic allowance for housing. This would increase the income stream to the projects and reduce the subsidy requirement. It would have an offsetting reduction in service member quality of life.
- Alternative 4: DOD could use MilCon appropriations to construct housing and then transfer the housing to a privatization developer in lieu of the cash subsidy. This alternative is less effective, efficient, and timely than the current method of privatizing, but it would generally reach the same result.

Mr. HEFLEY. The fiscal year 2005 budget contains \$246 million for caretaker and environmental remediation related to prior rounds of base closures (BRAC).

- When do you anticipate completing disposal of prior round BRAC property?
- Why does the Department continue to maintain BRAC lands nearly a decade after the last BRAC round?
- Does the Department need legislative help to more quickly dispose of BRAC property after the 2005 round?
- How much more funding for environmental remediation will be necessary to complete cleanup requirements on prior BRAC lands?

Secretary DUBOIS. The Military Services project that more than 90% of the property available for disposal from the previous BRAC rounds will be disposed by the end of FY 2005. A few sites, due to complex challenges or other obligations, will extend beyond FY 2005. The Department seeks to transfer available property as quickly as possible.

In many of the situations where land remains to be disposed, civilian users are utilizing excess and surplus property which in turn minimizes the Department's carrying costs (protection and maintenance). Environmental-related activities account for most of the Department's actions on these properties at this time.

As noted in a recent GAO report, environmental issues account for most of our inability to transfer property to date. Conflict between state and federal clean-up standards, site characterizations, Military Munitions and Response Program (MMRP), and funding for restoration are among the environmental impediments being addressed. Prior to recommending any specific legislation, the Department must conduct a review of best practices and lessons learned from the previous BRAC rounds. On the basis of this joint effort, which includes the Military Services and OSD, possible legislative remedies will be identified and specific policy will be crafted and incorporated into an update of the Base Reuse Implementation Manual later this year.

The BRAC cost-to-complete (fiscal year 2004-to-completion) for environmental restoration is approximately \$3.3 billion. This figure includes cleanup under the installation restoration program and the military munitions response program. This figure does not include program management costs or environmental compliance costs.

Mr. HEFLEY. DoD has established a model for budgeting operations and maintenance funds for sustainment of facilities. However, the Department does not have a model for the other accounts that repair, modernize, and support its facilities.

What are you doing to validate the model you are using to budget for sustainment accounts?

Secretary DUBOIS. An extensive independent validation was conducted on the first version of the sustainment model in 2000, and the model was refined consistent with the recommendations. A less-extensive validation was conducted in 2001 that confirmed the model's output. Each year, DoD updates the model's primary inputs and conducts a detailed evaluation of the model output to verify consistency with expectations. The majority of the benchmarks used in DoD's model are developed and published by independent commercial entities whose primary business is forecasting maintenance costs, hence multiple sources of external validation have already occurred before the benchmarks are adopted by DoD.

Mr. HEFLEY. The goal for sustainment funding is 95 percent—how did you determine this level as the goal?

Secretary DuBOIS. The goal for sustainment funding is 100%, not 95%. For this year's budget, the Secretary determined 95% to be the minimum acceptable improvement over last year's sustainment rate.

Mr. HEFLEY. What is the Department doing to more accurately budget for repair, modernization, and base operations accounts?

Secretary DuBOIS. The Department has developed a Facilities Recapitalization Metric (FRM) which addresses requirements for restoration and modernization funding. The FRM is based on expected service life of the various facilities in the inventory. The base operations requirement is more complex, but work is beginning on a suite of models to address those requirements. The first model in the suite is expected to cover real property services.

Mr. HEFLEY. According to installation commanders, DoD budgets regularly under fund repair, modernization, and base operations accounts. Because these accounts include many "must pay" bills, the services are forced to raid sustainment accounts. What are you doing to ensure that all parts of installation funding—military construction, sustainment, repair, modernization, and base operations—are properly resourced?

Secretary DuBOIS. We expect models for sustainment, restoration and modernization (R&M), real property services, and base operations support, as described above, will help structure and discipline the process of defining our needs and establishing the proper resource levels.

Mr. HEFLEY. The Air Force is continuing to request force protection projects in the annual budget request, as well as through existing legislative authorities.

What is Air Force doing to assess and systematically address facility force protection requirements?

Does the Air Force have a list of unfunded facility force protection projects? If so, how did the Air Force determine that these projects were of lesser priority than other projects requested in the fiscal year 2005 budget?

Secretary GIBBS. Vulnerability Assessments conducted in accordance with Department of Defense and Air Force standards evaluate the force protection capability and posture of Air Force installations. These assessments evaluate the risk, severity and immediacy of force protection requirements. The identification of vulnerabilities is a continual process; there is no finite set of vulnerabilities or respective mitigation requirements. Facility improvements constitute only one means by which force protection vulnerabilities are mitigated.

The Air Force maintains a list of unfunded operation and maintenance facility force protection projects. This list demonstrates the Air Force's identified Antiterrorism/Force Protection operation and maintenance requirements for advocacy of appropriate resources. MILCON-level Antiterrorism/Force Protection facility requirements are incorporated into the Air Force's Future Year Defense Plan in accordance with Major/Combatant Command and corporate Air Force priorities. There is no outstanding list of unspecified minor construction Antiterrorism/Force Protection projects.

MILCON projects in the Future Year Defense Plan either enhance existing Antiterrorism/Force Protection measures or eliminate inefficiencies caused by existing work-grounds. The Air Force's Antiterrorism/Force Protection Facility Investment Strategy governs prioritization of facility investments undertaken to mitigate force protection vulnerabilities.

Mr. HEFLEY. The fiscal year 2005 budget includes a number of projects related to providing combat air patrols and maintaining homeland air superiority.

Is this an indication that the Air Force believes that combat air patrols over U.S. cities will be an enduring mission?

Does the budget provide sufficient funding to meet facility requirements for units conducting air superiority missions?

Secretary GIBBS. North American Air Defense Command (NORAD) in Dec 03, announced that the present air defense mission and posture would be steady state for the foreseeable future.

The majority of the facility costs are funded in the fiscal year 2005 budget however, there are still several unfunded facility costs not in the budget that will be addressed in the FY06 President's Budget.

Mr. HEFLEY. The ongoing Global Posture Review is expected to make significant changes in U.S. basing plans and activities overseas.

How will the Global Posture Review affect the Air Force's overseas bases?

How will the review affect Air Force overseas stationing and deployment policies?

General Jones has mentioned "lily pad" bases in Europe—does the Air Force expect to change the nature of Ramstein Air Force Base and Spangdahlem Air Force Base as a result of the Global Posture Review?



Secretary GIBBS. The OSD-led Integrated Global Presence and Basing Strategy (IGPBS) may impact Air Force bases overseas. We are working with OSD, the Joint Staff, combatant commanders, and other services on how to best employ rotational presence, and ensure a flexible response in support of war plans and the war on terrorism. Some of the changes under consideration include the concept of rotational presence, and networks of central hubs with associated forward sites. We are also looking at the most effective ways of engaging with our allies toward opening new cooperative security locations overseas.

The IGPBS will not change our approach to stationing and deploying personnel overseas. The Air Expeditionary Force structure will continue to enable effective management and deployment of personnel. We expect the missions of Ramstein and Spangdahlem to continue, including the air mobility en route operations beginning this year to replace capacity previously available at Rhein Main AB. However all bases and missions are under review under IGPBS, and findings are not final.

### QUESTIONS SUBMITTED BY MR. ORTIZ

Mr. ORTIZ. An earlier Rand study determined that one-third of the Army's European forces could be moved to stateside divisional bases. They could then simply rotate to overseas areas with regular six-month deployments and possibly use war reserve stocks. Has the Department given full consideration to the infrastructure requirements stateside and the added stress of a possible six-month rotation cycle? Why close bases until we are certain of the requirements, especially with no near-term end to the follow-on activities in Iraq and the War on Terrorism?

Secretary DUBOIS. The Secretary of Defense is undertaking a comprehensive review of global basing and presence. Because the decisions resulting from the overseas review may include some number of forces returning to the U.S., the Secretary is committed to making these decisions in sufficient time to inform the BRAC analysis. Furthermore, through execution of prior BRAC rounds, the Department has demonstrated that it will retain within the U.S. installation infrastructure sufficient difficult-to-reconstitute assets to respond to surge, accommodate a significant reconstitution of the force, and support all forces, including those currently based outside the United States. It is precisely because of these operations in Iraq and our efforts to win the War on Terrorism that we must undertake BRAC now. While no one can predict what the future will bring, we know the range of challenges we face and the range of capabilities we need to maintain and to enhance to meet those threats. Keeping our bases locked in the configuration of the past will not provide the men and women of our armed forces with the support they need and the security this Nation deserves.

Mr. ORTIZ. It is estimated that the cost of prosecuting and executing a BRAC is in the neighborhood of \$15 billion. My understanding is that it takes about five to seven years to start realizing any real savings. Therefore, if during this period there are not enough resources to pay for necessary weapon systems procurements, would it not be more prudent to delay the BRAC and use the resources that are going toward the prosecution and execution of a BRAC on those purchases?

Secretary DUBOIS. It does not take five to seven years to start realizing any savings. In fact, based on cost and savings experiences from prior rounds, BRAC starts saving money immediately and those savings are used to fund implementation costs so that the program actually pays for itself very soon after its recommendations are implemented. While BRAC is expensive, it is an investment worth making. Further, using historical data from the 1993 and 1995 rounds reflected in published budget submissions, the Department projects that a 20% reduction of DoD's infrastructure would produce annual recurring savings after the implementation period of approximately \$8 billion every year, forever.

Mr. ORTIZ. In the Military Construction Appropriation Act for fiscal year 2004, an Overseas Basing Commission was established to look at closing overseas bases. Shouldn't this review be completed, along with a full reporting to the Congress and the Administration, before BRAC is begun? Wouldn't that fortify support within the country for the ultimate reductions that you will propose? The sense that I have is that BRAC will do more damage than good at this time in our Nation's history.

Secretary DUBOIS. The Department continues to believe that establishing this commission was not necessary because of the work already underway by the Department. The Secretary of Defense has undertaken a comprehensive review of global basing and presence. Because the decisions resulting from the Department's review may include some number of forces returning to the U.S., the Secretary is committed to making these decisions in sufficient time to inform the BRAC analysis.

Mr. ORTIZ. The Department of Homeland Security has many requirements relative to aviation and border security, as well as the needs of the Coast Guard, which is now an integral part of that Department. Doesn't it make sense for them to use existing Federal properties, where feasible, and avoid unnecessary new land purchases? Have their requirements been fully identified? Wouldn't it be more prudent to wait and understand their facility needs and see if existing military bases can accommodate them before you go and close and dispose of DoD properties?

Secretary DuBOIS. Both the BRAC legislation and DoD's implementation of it ensure that homeland defense and security are considered in the BRAC process. Criterion two of the final BRAC selection criteria specifically requires DoD Components to consider "[t]he availability and condition of land, facilities and associated airspace . . . as staging areas for the use of the Armed Forces in homeland defense missions." Additionally, as a mission of DoD, all of these issues are captured by the requirements of criteria one and three.

The Department does have a clear picture of its homeland defense mission, which includes physical defense of the Nation against external attack by land, sea, or air, and civil support to the Nation as requested by the Department of Homeland Security.

The air and land components of this mission are well defined. The Department's air defense components have been and will continue to conduct combat air patrols. With respect to land and civil support, the Department has established forces of highly trained individuals drawn from a variety of installations to deploy to homeland defense contingencies wherever they may arise. Although the sea component is still evolving, it will be finalized this summer when the Department publishes its homeland defense strategy, providing ample time to inform the BRAC process.

The leaders of the BRAC process will turn to the mission proponent to help determine infrastructure needs. The Assistant Secretary of Defense for Homeland Defense and the NORTHCOM commander will ensure that the infrastructure requirements of this especially critical mission are accommodated in the BRAC process.

Finally, in the event DHS, Coast Guard, or any other Federal agency identifies a requirement for property no longer required by the Department of Defense, the existing federal real property screening process ensures they have an opportunity to acquire that property before it is transferred outside the federal government.

Mr. ORTIZ. The Army has been approved for 30,000 additional troops for a 5-year period. However, I've heard the Army only plans to buy 10,000 additional troops, with the other 20,000 being issued "stop-loss" orders.

If this is true, has any consideration been given to the impact this "stop-loss" plan will have on Army retention?

Secretary DuBOIS. The Active Army will temporarily increase strength by up to 30,000 through increased recruiting and retention. Stop loss is only intended to staff and stabilize deployed units. It is not used to build additional strength. The Army is on track with its FY04 Active Army retention goals and remains watchful for changes in retention rates.

Mr. Ortiz. For Navy, having to respond to successive wars in Iraq and Afghanistan, in which up to 6 carrier strike groups were tasked to rapidly deploy or extend on station for as much as 10 months from their homeport, a new type of pressure has been placed on her ships and her crews. Within about a year, the Navy will have the fewest numbers on activity duty since prior to the Pearl Harbor attack in 1941. But there is an ambitious plan to rebuild the Navy and add more ships from the current 294.

Has anyone analyzed the added stress and impact that will surely follow with a massive base closure process in 2005?

Secretary DuBOIS. The Navy has reconstituted its forces and is fully prepared to respond to emerging threats. Furthermore, the Navy has institutionalized its ability to surge additional assets forward using the 6+2 Fleet Response Plan. With the same number of assets, the Navy has never been in a better position to counter new threats.

As to the number of personnel and ships, the Navy has embarked on a plan to acquire new capabilities (i.e. DD(X) and LCS) that require significantly less manpower to support. This revolution in ship maintainability will significantly increase Naval capabilities at decreased costs. The Navy's plan to obtain these capabilities was detailed in the 20-year force structure plan that was submitted as part of the FY05 Budget Backup documents.

The Navy supports the need for BRAC 2005. This effort will rationalize its infrastructure with defense strategy and will enable Navy to reallocate valuable fiscal assets to acquire additional Navy capabilities. The Department invested approximately \$22 billion to implement these recommendations and netted approximately \$17 billion in savings through FY 2001. Recurring savings after FY 2001 will ap-



proximate \$7 billion each year (\$6.6 billion in 2002 dollars). The Navy needs another round of base closure to eliminate excess infrastructure and believes that the closure process should proceed in accordance with the current statute.

Mr. ORTIZ. With the latest round of redeployments to Southwest Asia, and the fact that almost 40% of our Nation's reserve (guard and reserves) forces have been called for the war on terrorism, some have said the reserve and guard forces are too small and need to be enlarged.

If that is the case, is consideration being given to move these units aboard active military installations and bases?

Secretary DUBOIS. The Department believes the current size of the reserve components is appropriate for the mission as currently projected, but also continually reviews its requirements to ensure both the appropriate size and mix of forces. Facility requirements of the reserve components are part and parcel of such reviews. A substantial portion of the reserve components are already located on active installations. Such stationing can often provide for more efficiency and greater effectiveness.

Mr. ORTIZ. Are you sizing the base structure to accommodate the need to surge or even possibly grow in the future. I believe one only has to look to the situation at Moody Air Force Base where the Air Force had to add a primary aviation wing to accommodate its need to train more pilots after closing a number of those types of bases in previous BRAC rounds. This also applies to Naval Air Station Cecil Field in Florida. Conventional wisdom is that the Navy could absolutely use that base in support of its fighter and attack aircraft missions. Why conduct a major base closure round now when the requirements for our Nation's defense needs have not been fully defined or determined? Has your thinking really adjusted to the post September 11<sup>th</sup> world?

Secretary DUBOIS. Yes, the Department is considering surge requirements in the BRAC 2005 analyses. Surge requirements can arise for any number of reasons, including contingencies, mobilizations, or extended changes in force levels. Criteria one and three capture the concept of surge capacity as they are currently drafted. Criterion one requires the Department to consider "current and future" mission capabilities and criterion three assesses the "ability to accommodate contingency, mobilization and future total force requirements." Furthermore, through execution of prior BRAC rounds, and as verified in a 1999 study, the Department has demonstrated that it will retain within the U.S. installation infrastructure sufficient difficult-to-reconstitute assets to respond to surge, accommodate a significant reconstitution of the force, and support all forces, including those currently based outside the United States. Further, as required by Section 2822 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136), the Secretary will determine the "potential, prudent, surge requirements" to meet probable threats to national security.

Regarding the statement about Moody AFB, the additional mission that was assigned to Moody resulted from the Air Force desire to more evenly distribute missions on the basing structure that remained after BRAC 95.

Closing Cecil Field was not a mistake and I should point out that we did not give up its airspace. The forces that were relocated from there to other operating bases have been meeting their mission requirements effectively. Cecil's closure was recommended because its capacity was unnecessary so the substantial resources that would be saved through its closure could be applied elsewhere to enhance capabilities. The cumulative net savings realized so far from Cecil's closure amount to well over \$250 million through FY03 and we will continue to realize annual recurring savings (cost avoidances) forever.

#### QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. Please explain why DoD believes leasing housing from a private developer and giving up the housing you own on base is less expensive.

Secretary DUBOIS. Our response assumes you are referring to military housing privatization when you ask DOD to explain why DOD believes "leasing" houses from a private developer and giving up the housing (DOD) owns on base is less expensive. Under housing privatization, the military services pay service members a housing allowance which the member uses to pay rent either in the community or in a privatized housing development. DoD may have leased the underlying land to the developer under a long-term lease, but it is the service member who leases the housing from the developer, not the DoD. When DOD privatizes an installation it avoids the operations and maintenance costs that it should be incurring and takes advantages of private sector operations and construction efficiencies.

Our life cycle economic analyses demonstrate that when we compare the costs the government should spend to maintain housing and the cost of paying a member and letting them rent housing, privatization is less expensive by a margin of 10–15%. This approach has also been affirmed by recent studies by the General Accounting office of our program—their most current reports conclude privatized housing is less expensive over a 50 year term than using Military Construction.

#### QUESTIONS SUBMITTED BY MR. ABERCROMBIE

Mr. ABERCROMBIE. How does DoD determine an appropriate market rent for each installation? How does DoD avoid situations where a landlord raises the rent to meet increased BAH for an area while failing to provide better quality housing? Does DoD have the appropriate authority to deal with these situations?

Secretary DUBOIS. DoD provides compensation for housing costs of its military members via the Basic Allowance for Housing (BAH). The BAH is based on data collected regarding local housing costs—via OSD's Office of Personnel and Readiness. DoD uses data provided by the local representative from a military installation along with housing data points collected by an experienced housing contractor (Runzheimer) to determine the accurate housing costs for a specific geographic area. The BAH is based on local median housing costs. In diverse housing markets the landlords must compete for tenants. Because this housing is not assigned housing, if the developer raises the rent the tenants have the freedom to "vote with their feet" to live in less expensive or better quality housing.

In 2003, the Center for Naval Analysis investigated whether changes in the BAH caused increases in rents. They found no evidence that landlords were increasing rents in response to increases in the housing allowance.

#### QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. With the tightened security after September 11<sup>th</sup>, it became difficult for civilians in my district to access an educational facility located on base. The solution to this situation was the construction of a joint facility which is located on base property but outside the perimeter of the fence. Are joint facilities such as this a usual occurrence across the country?

Secretary DUBOIS. Educational facilities, and particularly grade schools, are frequently owned or operated by the local school district, even though located on the installation. When such facilities are also designated for other uses such as adult education, it can present difficulties for non-DoD personnel attempting to gain access to the installation under current security levels. Although DoD always attempts to accommodate such multiple uses, it must always look first and foremost to security, and not least of all to the security of the users of such facilities which are usually children. Heightened security causes delay in access to installations for everyone, including personnel assigned to the installation or even living on it. One possible solution, particularly if the facility in question is located near the installation border, is to reroute the installation security fence to place the facility outside the installation, making it readily accessible to the public. There are, of course, trade-offs to such changes, not least of all a reduction in security for the facility itself. When funding permits, another solution may be to construct a new facility on the base perimeter with the same effect. But these situations are each unique and must be addressed on an individual basis given the uses of the facility, the security needs of the installation, available funding, and possible accommodations.





**FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—MILITARY CONSTRUCTION BUDGET REQUEST FOR PROGRAMS OF THE ACTIVE AND RESERVE COMPONENTS OF THE DEPARTMENTS OF THE ARMY AND NAVY**

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HOUSE OF REPRESENTATIVES,  
READINESS SUBCOMMITTEE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC, Thursday, March 4, 2004.*

The subcommittee met, pursuant to call, at 2:04 p.m., in room 2118, Rayburn House Office Building, Hon. Joel Hefley (chairman of the subcommittee) presiding.

**OPENING STATEMENT OF HON. JOEL HEFLEY, A REPRESENTATIVE FROM COLORADO, CHAIRMAN, READINESS SUBCOMMITTEE**

Mr. HEFLEY. Again, I want to apologize to our witnesses: we seem to have hearings on Thursday afternoons and the House seems to finish its business just prior to us starting our hearings and members disappear back to their home districts very quickly.

So, I appreciate every one of our members who are here. If Mr. Abercrombie goes home, the committee is going with him, so, you better be here, Neil.

So, I apologize in advance to you for that. But that doesn't indicate the level of importance with which we regard your testimony and the military construction (MILCON) add-ons will be proportionate to how many of our members and what members attended our committee. That is just the way it works, I think, so you guys are in great shape.

Mr. ABERCROMBIE. Mr. Chairman? Mr. Chairman, you forgot to add one other thing: you are going to do it alphabetically, too, right?

Mr. HEFLEY. Hey, that is not a bad idea. Is that a motion?

Today, the Readiness Subcommittee meets to hear testimony from the Departments of Army and Navy on their fiscal year 2005 budget requests for military construction and family housing. And I do want to welcome our witnesses; we do appreciate you being here with us.

Last week, the subcommittee held a hearing on the overall state of the Department of Defense's (DOD) infrastructure and facilities, in which several members of this subcommittee expressed concern that the fiscal year 2005 budget projection for military construction and family housing for fiscal years 2006 through 2009 was \$6 billion less than projected in the fiscal year 2004 budget. The fact that significant increases remain in outyears is no surprise, but the

fact that the amounts of the increases have been slashed is very disappointing, particularly considering DOD's facilities problems and the upcoming round of base closures.

For our witnesses today, the fiscal year 2005 military construction and family housing budget request must also be disappointing. More than 80 percent of the Army's facilities classes have readiness ratings of C-3 or below indicating serious deficiencies affecting their ability to complete their missions. Navy facilities are in a similar state of unreadiness: nearly two-thirds of its facilities are rated C-3 or below.

Nevertheless, both Army and Navy military construction and family housing budget requests are far below what this committee thinks is acceptable levels.

The Army's military construction budget request may be slightly larger than last year's appropriated level, but it is more than \$200 million less than the amount projected for fiscal year 2005 in the 2004 budget.

While the failure to meet projected levels is a concern, I am particularly worried about recent developments that may have a devastating impact on Army facilities requirements. How will plans to increase end strength affect Army requirements for family housing, schools, barracks, and support facilities? What will Army plans to purchase hundreds of new helicopters and unmanned aerial vehicles (UAV) instead of Comanches do to Army maintenance and depot facilities requirements? How will DOD's ongoing global posture review, which press reports indicate may return as many as two divisions to U.S. soil, affect facilities requirements at domestic bases?

While it may be too early to make refined estimates about the effects of these changes, I would ask our Army witnesses to address the effect of these changes on Army facilities requirements, as well as whether or not budgets and plans for these changes are provided for in the 2005 and future budgets. In addition, I understand that the Army may submit a budget amendment to reflect the Comanche cancellation that will include some funding for facilities construction to support additional helicopters and UAVs. While I applaud the Army for recognizing that additional facilities funds will be necessary, the amount being discussed, \$30 million, is only a tiny fraction of anticipated Comanche program costs that will do little to mitigate the increased military construction requirements resulting from the program change.

In this case, it appears that the Army is shortchanging its facilities requirements from the start. I would ask our Army panel to explain why a larger portion of the Comanche dividend has not been dedicated to providing facilities for the helicopter and UAV fleet that will result from the program's cancellation. Given long lead times for construction, does the Army intend to purchase additional helicopters without providing the facilities necessary to house and support them?

Of further concern: the Army's base operations budgets have been funded at only 70 percent of the required level. Considering that 80 to 85 percent of the required level is necessary to fund "must-pay" bills, it appears that the Army will be forced to cut other important facilities budgets in order to pay the daily bills.

The Navy faces similar challenges. Although the Navy's military construction and family housing budget request for 2005 is slightly greater than the amount projected for 2005 in the 2004 budget, it is still \$240 million less than amount ultimately provided by Congress in 2004. In addition, the Navy's military construction budget over the future years defense plan (FYDP) has been cut by approximately \$2.2 billion from the levels projected just last year.

So, once again, why does DOD continue to underfund the services' facilities budgets? Is the Department counting on Congress to dig them out of their annual facilities funding hole? While Congress may have done exactly that over the past decade, I fear that our ability to significantly increase the military construction budget is coming to an end, and I would urge our witnesses to more appropriately budget for facilities needs in the future.

On a final note, I hope that our witnesses will address the family housing privatization programs. It is my understanding that DOD will run into a statutory cap on the family housing privatization program in early 2005, seriously impeding, or even ending, the program. I hope that our witnesses will describe the effect that not raising the cap would have on their efforts to eliminate unsuitable family housing units.

At this time, I would like to recognize the Honorable Solomon Ortiz, my friend and colleague from Texas, and the ranking member of the committee, for any comments, Solomon, that you might have.

**STATEMENT OF HON. SOLOMON P. ORTIZ, A REPRESENTATIVE FROM TEXAS, RANKING MEMBER, READINESS SUBCOMMITTEE**

Mr. ORTIZ. Thank you, Mr. Chairman. Let me say that I identified with your statement. I think that we realize that, on both sides of the aisle, that we do have a serious problem.

But let me, Mr. Chairman, join you in welcoming our distinguished witnesses today to this Readiness Subcommittee hearing on the fiscal year 2005 budget request for military construction and family housing.

Mr. HEFLEY. Very good, sir.

Mr. ORTIZ. As Chairman Hefley and I pointed out to our witnesses from the Office of the Secretary of Defense (OSD) and Air Force last week, the MILCON and family housing budget request is disappointing. About two-thirds of our military facilities were either rated C-3, which means there are serious deficiencies, or C-4, which means that they do not support mission requirements. The need for military construction and family housing is obvious at virtually every base in this country, but the budget does not go far enough to address these serious problems.

The request for Army MILCON is \$2.1 billion, which is up \$100 million, 5 percent, from the 2004 level. But just a year ago, the 2005 column of the 2004 budget projected \$2.3 billion for Army MILCON. So, the budget request this year is actually a \$200 million, or 10 percent, cut from last year's projected levels.

According to the Army, only 38 percent of the service's family housing is currently considered adequate. The Army family housing request for 2005 is \$1.6 billion, which is \$140 million, or 9.6 per-



cent, more than the 2004 level. However, the 2005 column of the 2004 budget set aside almost \$1.8 billion for Army family housing, so the request is actually a decrease of \$224 million, or 12.5 percent from what was programmed last year.

The story is sadly familiar for the Navy. The request for Navy MILCON is \$1.1 billion, which is \$240 million, or 17 percent less than the 2004 level. The Navy family housing request for 2005 is \$844 million, which is \$180 million, or 18 percent less than the 2004 level. The combined MILCON and family housing request for 2005 is \$91 million below the 2005 column of the 2004 budget, a cut of 4.5 percent.

According to DOD budget documents, overall funding for the Pentagon is up 7 percent from the 2004 level. Some parts of the Pentagon budget are enjoying increases that are even larger. For example, the 2005 request for the Missile Defense Agency is an increase of \$1.5 billion, or 20 percent from the 2004 level. I am disappointed by the budget request for MILCON and family housing because the need is obvious, the resources could be available, but the Administration placed a higher priority in other areas of the defense budget.

I know our witnesses care about our infrastructure and the quality of housing for our military personnel and their families. They do the best they can with the dollars that they are given, but I think that MILCON and family housing would only get short-changed by the Department and the ones who suffer the consequences are the men and women in uniform and their families.

Unfortunately, the picture could get worse shortly. As you know Mr. Chairman, the privatized family housing initiative, which was founded by this committee, is in great danger here on Capitol Hill. When we established the program we put an \$850 million cap on it and we will exceed that cap early in fiscal year 2005. Just last year the Congressional Budget Office (CBO) changed the scoring of this program. If we include legislation in our bill to eliminate or raise the cap, our committee will get a large mandatory scoring of that position. In short, we need the Budget Committee to either overrule CBO's scoring or give us a mandatory allocation large enough to let the program continue.

The Budget Committee plans to mark up the budget resolution next Wednesday, less than a week away. The budget resolution is likely to come to the House floor the week after that. This is a very, very fast moving train. If the Budget Committee does not manage to either override CBO's scoring or give us a mandatory allocation, the housing privatization program could be derailed.

I would like it very much if the witnesses can explain to us how long it would take to eliminate inadequate family housing without the ability to use the privatized housing authorities. I would also like our witnesses to tell us who they talked to at the budget committees and the leadership of the House and Senate about the importance of this program to our men and women in uniform, and more importantly, the wives, husbands, and children.

Every committee on the Hill bombards the Budget Committee with requests. We need the weight and influence of the Department to get the assistance we need from the Budget Committee and we are running, my friends, out of time.

Mr. Chairman, thank you so much for your time. And again, I would like to welcome our witnesses today.

Thank you.

Mr. HEFLEY. Thank you, Mr. Ortiz.

We have two panels again today.

The first will be the Army panel: Mr. Geoffrey Prosch, the Acting Assistant Secretary of the Army for Installations and Environment; Major General Larry Lust, Assistant Chief of Staff for Installation Management; Major General Walter Pudlowski, Special Assistant to the Director, Army National Guard; and Brigadier General Gary Profit, Deputy Chief of the Army Reserve.

Mr. Secretary, we will start with you.

**STATEMENT OF GEOFFREY G. PROSCH, ACTING ASSISTANT SECRETARY OF THE ARMY, INSTALLATIONS AND ENVIRONMENT; MAJ. GEN. LARRY J. LUST, ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT, UNITED STATES ARMY; MAJ. GEN. WALTER PUDLOWSKI, SPECIAL ASSISTANT TO THE DIRECTOR, ARMY NATIONAL GUARD AND BRIG. GEN. GARY M. PROFIT, DEPUTY CHIEF, ARMY RESERVE**

Secretary PROSCH. Thank you very much, sir.

Mr. Chairman and members of the committee, I am very pleased to appear before you with my Army installation management partners: Major General Larry Lust, from the active Army, Major General Walt Pudlowski from the Army National Guard, and Brigadier General Gary Profit from the Army Reserves to discuss the Army's fiscal year 2005 military construction budget.

We have provided a detailed written statement for the record, but I would like to comment briefly on the highlights of our program.

We begin by expressing our deep appreciation for the tremendous support that the Congress has provided to our soldiers and their families who are serving our country around the world.

We are a Nation and an Army at war and our soldiers would not be able to perform their mission so well without your sustained support.

We have submitted a robust military construction budget of \$3.7 billion, which is 13 percent over the fiscal year 2004 amended President's budget request that will fund our highest priority: active Army, Army National Guard and Army Reserve facilities, along with our family housing requirements.

This budget request supports the Army vision encompassing current readiness, transformation and people.

As we are fighting the global war on terrorism, we are simultaneously transforming to be a more relevant and ready Army. We are on a path with the transformation of installation management that will allow us to achieve these objectives.

We currently have almost 250,000 soldiers mobilizing and demobilizing, deploying and redeploying: more troops are coming and going on our installations than in any era since World War II. Our soldiers and installations are on-point for the Nation.

The Army recently identified key focus areas to channel our efforts to win the global war on terrorism and to increase the relevance and readiness of the Army.



One of our focus areas is installations as flagships, which enhances the ability of our Army installations to project power and support families.

Our installations support an expeditionary force where soldiers train, mobilize, and deploy to fight and are sustained as they reach back for enhanced support.

Soldiers and their families who live on and off the installation deserve the same quality of life as is afforded the society they are pledged to defend. Installations are a key ingredient to combat readiness and well-being.

Our worldwide installations structure is critically linked to Army transformation and the successful fielding of the future force.

Military construction is a critical tool to ensure that our installations are made relevant and ready. Our fiscal year 2005 military construction budget will provide the resources and facilities necessary for continued support of our mission.

Let me summarize what this budget will provide for the U.S. Army: new barracks for 4,200 soldiers; adequate on-post housing for 14,200 Army families; increased MILCON funding for the Army National Guard and Army Reserve over last year's request; new readiness centers for over 3,000 Army National Guard soldiers; new reserve centers for over 2,800 Army Reserve soldiers; a \$287 million military construction investment and training ranges; a battalion-sized basic combat training complex; and facilities support and improvements for four Stryker brigades.

With a sustained and balanced funding represented by this budget, our long term strategies will be supported.

With your help, we will continue to improve soldier and family quality of life, while remaining focused on the Army's transformation to the future force.

In closing, Mr. Chairman, we thank you for the opportunity to outline our program.

As I have personally visited Army installations, I have witnessed progress that has been made and we attribute much of this success directly to the longstanding support of this committee and your staff.

With your continued assistance the Army pledges we will use fiscal year 2005 MILCON funding to remain responsive to the Nation's needs.

We thank you for the opportunity to appear before your subcommittee and we would be pleased to answer any questions you may have.

[The joint prepared statement of Secretary Prosch, General Lust, General Pudlowski and General Profit can be found in the Appendix on page 137.]

Mr. HEFLEY. Thank you.

General LUST.

General LUST. Sir, I have nothing to add to what Mr. Prosch has already talked about, sir.

Mr. HEFLEY. General Pudlowski.

General PUDLOWSKI. Sir, I have nothing further to add to Mr. Prosch's opening statement except to thank you ladies and gentlemen in advance, from all the Army National Guard's men and women across America, for your continued support.



Mr. HEFLEY. General Profit.

General PROFIT. Sir, I would also like to extend my appreciation to this subcommittee for all the support they have given to the soldiers of the Army Reserve and I look forward to answering your questions.

Mr. HEFLEY. Let me raise a question right quick before I open it up to our members for questions, it really is off the subject, I am sure you can't answer it, but you know who can and I would like for you to—I am going to do the same thing with our Navy witnesses because I would like for someone to get back to me with some kind of an answer to this. We are struggling right now to put together a budget. And, as you know, we are running a tremendous budget deficit and we are at a time of war and it is struggle between those who say you can't cut defense at a time of war and there are others who say, "Oh well, you can take a few billion out here and a few billion out there because there is that much waste in the Defense Department." And this committee is probably the best friend you have on the Hill, because we defend you and so forth. It has come to my attention that the government auditors have recently revealed that the Defense Department has \$3 billion in unpaid taxes from more than 27,000 Department of Defense contractors. That is \$3 billion.

And that the General Accounting Office (GAO) showed that there is a mechanism that the DOD could implement with the Internal Revenue Service (IRS) to withhold up to 15 percent of each contract to offset the tax debt, if they are not paying their debts.

But they haven't done this; the DOD has not done this. The IRS has not done this.

And so, as a consequence, we could have been collecting over the last year or so \$100 million in just 2002, instead of the \$687,000 that we have collected since last September.

Do you know anything about this at all? Is there any validity to this?

Secretary PROSCH. Sir, I personally don't know anything about it.

What I would like to do is pass this to my higher headquarters in the Secretary of Defense office and—

Mr. HEFLEY. Well, it ought to be a question I ask the Secretary of Defense, but I just learned about it today and you are here.

Secretary PROSCH. I will take it for the record and I will ensure that my highers in OSD take it for the record and we get back with you.

Mr. HEFLEY. Get somebody, if you would, to get back to us, because we want to give you what you need. We don't want to waste any money and if this is true, then there is a slip somewhere.

So, if you would get back to us. I won't waste the time of the Navy witnesses. They are here. You heard what I had to say and so, Mr. Johnson, if you will also pursue this, I would appreciate it.

Secretary JOHNSON. Yes, sir.

[The information referred to can be found in the Appendix beginning on page 185.]

Mr. HEFLEY. All right.

Mr. Ortiz.

Mr. ORTIZ. You know one of the things that comes to mind is the disparity that we see between the regular active duty soldiers and

the national guard and reserves in that when you have a non-commissioned officer who might be stationed in Germany, he gets housing allowance or he gets on-base housing.

But when you activate a staff sergeant or you activate a sergeant, he already has his house and he doesn't get any housing allowance at all. And it seems to me that we are putting more emphasis now and more load on the national guard and reserves.

Is this causing a problem between the active duty and the national guard? I see this as a disparity between the active and the national guard.

Maybe some of you can enlighten me a little bit on that.

Secretary PROSCH. Well, this is, again, an OSD-type issue that would affect all the services. I would tell you that in the Army, the way we are going after our problems with inadequate housing are three ways.

First of all, we are increasing the basic allowance for housing, so that we don't have out-of-pocket expenses for the soldiers.

Second of all, we are continuing to use military construction where that makes sense.

And finally, we are using the Residential Communities Initiative (RCI) thanks to the leadership in this committee that has allowed us to privatize at selected installations and it has been a phenomenal quality of life initiative for our soldiers.

I would ask my national guard counterpart here if you would like to expound on that.

General PUDLOWSKI. Sir, there have been some situations that have occurred. The closer we work together in the Army, with the Army, we are resolving many of these differences; they are not all resolved.

We do have some pay discrepancies because of a different pay system that the Army National Guard uses as compared to that system that is being used by the Army and the Army Reserve.

We hope to rectify some of those differences to make sure that at least the pay problems are being solved at a much more rapid rate.

In regards to your question on differences in family allowances: sir, when the soldier is mobilized, he goes into a Title X status on active duty. He then becomes eligible for those benefits.

It takes a while for that pay system to come into effect; it is not immediate at that point and time. As I say, some of those pay issues are being worked very hard right now toward a new pay system that will solve that problem in the long term.

Mr. ORTIZ. The reason I asked this question is because we are really loading up on the national guard and reserves.

In fact, when I was in Iraq not too long ago most of the units coming in to replace some of the soldiers were either national guard or reserves. One of the things that weighs heavy on them is the uncertainty of time as to how long they were going to be there.

Now when an active duty soldier is already on base, he might be in Germany, but he has his family there; he has housing.

But this guy who is paying rent and he has a family back home someplace and then it takes a long time to catch up, the family has serious problems back home. I just hope there is some way we can come up with a solution.

Because the other problem that really concerns me is what kind of impact it will have on young men and women wanting to stay in the national guard or the reserves?

General PROFIT. Sir, if I could.

Clearly, one of the things that we have to look at, and I think there is a commitment in the Army to do so, is the entire question of compensation and benefits and the clearly different character of reserve service than when many of us joined the Army Reserve and the Army National Guard some years ago.

And I think the whole notion of basic allowance for housing that you are kind of hinting at is among other things, I think the secretary has committed to put it on the table and take a look.

So, much work, I believe, to be done, but a commitment to take a look at those kinds of things.

Mr. ORTIZ. Thank you, Mr. Chairman.

Mr. HEFLEY. Thank you.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman and thank you, gentlemen, for being here today.

One of the things that always amazes me is the logistics brilliance that I see conducted by the Army and, as you all know, the Army logistics provided the brunt of the boots on the ground logistics for all the services, but at times, we did have some concerns.

For example, the U.S. ground forces racing toward Baghdad during OPERATION IRAQI FREEDOM sometimes outran their supply chain.

And my question is, does the current budget provide the facilities necessary to continue modernizing Army logistics and quartermaster core training so that we can modernize our logistic systems as well as continue training and equipping our logistics troops?

Secretary PROSCH. Sir, I am fortunate to have as my battle buddy to my right, a quartermaster general and one of the great logisticians in the Army. And I would like to defer that to General Larry Lust.

We think he does a great job, Mr. Secretary.

General LUST. One of the few times I will hear you refer to great at anything.

The military construction budget we have put forward for the fiscal year 2005 period addresses the highest priorities to which the Army has.

And to get to the heart of your question, those projects which support, not only the in-country issue, but that we have back here in the continental United States that support the movement of supplies, et cetera, as they were prioritized in the overall prioritization of our MILCON budget. We did, in fact, compete well in those, sir.

Mr. FORBES. One other question.

I know that the Army is reportedly studying logistic shortfalls in the Afghanistan and Iraq campaigns and apparently put out a white paper on the subject.

And according to an article in the January 15 issue of Aviation Week's "Net Defense," the white paper published in December aims to provide a clear guidance as to where we want to take Army logistics in the next two years.



Lieutenant General Claude Christianson apparently noted that it was recommended in the white paper that the Army logistics should move into a joint satellite-based, network-centric communications system which would improve timely, flexible delivery of supplies to warfighters and serve other possible solutions.

Can you tell us whether we are moving in that direction and does this budget address that?

General LUST. General Christianson has a task force, a long task force put together which he and the TRADOC, Training and Doctrine Command, folks at Fort Lee at the Combined Arms Support Command are working to put their hands around exactly what the needs are.

The one thing we know in the logistics world is that we have to figure out how to get satellite communications that are dedicated to us when we need them and not necessarily when they are available or when somebody has the time.

But that task force is not only addressing the communications part, but it is also how we want to track and have visibility through the entire system from the time we requisition it to when it gets shipped and where it is along the way.

And the third part of that is taking a very serious look at how we, the Defense Department, goes about putting together a joint logistics organization, as opposed to when we end up getting the one anyway, but it is always ad hoc in the process.

So, that is the third part of what the task force is looking at, sir.

Mr. FORBES. Good.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

I want to thank all of you gentlemen for being here and I particularly want to thank all of you for your diligent work to solve what had been a challenge with the wetlands crossings down at Camp Shelby.

First, to reprogram some money for some permanent fixes and then to work with us on some portable mats, that since we are the renter of that property from the Forest Service, our landlords are happy with what the Army is trying to do and make great use of that facility.

Also, I would like to thank you for the work on the Army Reserve community control warehouses that will soon open down at the Navy construction battalion at Gulfport.

And, so now that I have said all the nice stuff, I have to do what I do to every single service secretary that appears before me and you are the closest thing to it, sir.

I keep hearing from the Secretary of Defense that we have 25 percent excess capacity. He doesn't say bases, he says 25 percent capacity and yet, I am having a little trouble getting any of our service secretaries to name a single installation that they would like to see closed.

So, I am going to give you that opportunity, speaking on behalf of the Army today. As I warned you I would yesterday.

Secretary PROSCH. Well, sir, I can't tell you any installation that is going to be closed. When the secretary announced—

Mr. TAYLOR. You don't have to name one that will be closed; one that you think is excess. I hear a lot of nebulous talk that somewhere out there there is this 25 percent excess capacity, but when we get down to specifics, I find folks to be very short on specifics.

So, I would just like to know of one instance of an installation that you think merits to be closed.

Secretary PROSCH. Well, as you know, sir, the BRAC criteria was published on the 6th of January and it is going to be fair and square.

Every single installation in our 50 states and all our territories and possessions; any type of Army installation is going to be evaluated with that criteria. That criteria is based on military value.

And so, over the period, we are going to be having an analysis and the timing is very good for us to do this analysis, because it will allow us with the same metrics to determine if there is excess capacity and to do a more thorough analysis.

But I would like to publicly state there is no base realignment and closure (BRAC) list. There are some phony lists out there on the Internet. But until we do that analysis, I really can't state any installation, sir.

Mr. TAYLOR. Well, I am not a lawyer, but I am told a good lawyer never asks a question for which he doesn't know the answer. I kind of presumed that would be the answer, sir.

Thank you very much, sir.

Secretary PROSCH. Yes, sir. And thank you for your support of the Army team.

Mr. TAYLOR. Thank you for all you do.

Mr. HEFLEY. Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you, Mr. Chairman.

Mr. Secretary, you have the distinction of being Assistant Secretary of the Army for Installations and Environment and I think that is a good thing to be joined together because, particularly in today's world, it is difficult to do one without the other, in terms of paying strict attention.

Among other things, there are legal consequences that can impact installations and infrastructure in a significant way and a time consuming way.

I say that by way of preface, because this is in reference now to the Stryker Brigade activities. Now, the Stryker Brigade is both conceptual and it is in motion, so to speak. It is not a fixed entity. It is evolving over time.

The concept and the necessity for it was well articulated and begun under General Shinseki's term and the idea all along was that this would be an evolving entity within Army doctrine and certainly amenable, hopefully, to being put together; amenable to changing conditions and circumstances.

Again, I preface my question to you with that because I want the context very clear.

As we have gone now to the fifth and sixth Stryker, there have been significant changes by way of proposals for equipment and some of the doctrine associated with that equipment as to what would happen with the increased flexibility that is to be associated with the Stryker Brigade activities.

As a result of the advent of the Stryker Brigade, training facilities for the Stryker and the brigades associated with it require pretty significant changes. I can cite my own area out in Hawaii where one of the brigades is to be located.

Existing training facilities near Schofield, for example, are now obsolete, in terms of training and we have been anticipating the possibility of a Stryker Brigade coming with the preparations for new training facilities, both on the island of Oahu and on the big island of Hawaii at the Puako area.

In order to forestall in anticipation of a very intense inquiry regarding the environmental impacts the Army has responded to, and in conjunction with the congressional mandates, to do the most thorough possible environmental impact statements (EIS), assessments, inquiries in order to be able to say with authority, should any inquiry come, legal or otherwise, that we had anticipated as much as was humanly possible to do and certainly within every respect of what is required by law.

You now have the Comanche being terminated.

The Comanche was one of the elements, I think it is called organic air element or something of that nature; I forgot the exact phrase, that were going to be part of the evolving transition, even within the Stryker concepts.

Does this change the requirements, with regard to environmental impact statements and training facilities, does it change it in such a way that you are going to have to alter the budget for it?

The training facilities for necessary preparation to determine what the impact of those facilities are going to be; not just in Hawaii, but anyplace that the Stryker is going?

Does this budget take into account what will be necessary to ensure that the Stryker Brigades will meet any and all environmental requirements, including the changing context of the brigade itself?

Secretary PROSCH. Sir, first of all, I would like to thank you for your support of our environmental challenges.

It was you that allowed us to get maneuver clearance in the Makua Valley again for our company-size units, which was critical. You have been helping us lead the charge at the big island to get the proper maneuver space we will need for Stryker.

Mr. ABERCROMBIE. Yes. I was up there, as you know, just within the last month and my name was prominently featured on the evening news, except with the appropriate bleeps.

Secretary PROSCH. Well, we appreciate you helping share the pain with us, sir.

Mr. ABERCROMBIE. First time in a long time, I took precedence over Senator Inouye.

I would like to ask General Lust to talk about the challenges of the Stryker Brigade and what we are doing in the installation management arena to make sure we are prepared for the fielding.

General LUST. Sir, the budget that we have put forward has some projects in it for the Stryker Brigade; one going to Alaska, another to Fort Polk, and one in Hawaii.

But to your question about the environmental, the decision to request to terminate the Comanche was made after this went in.



We will have to take a look at everything you asked and go back and look at that environmental assessment and say, "Okay. Has what we are doing now significantly been altered that we have to go back and do something?"

And from that analysis, we will have to look at it and come back in, probably most likely, sir, in the fiscal year 2006 budget to address if there should be any.

Right now, as you said, we did a very, very thorough job at each one of these areas.

We talked about this a couple days ago: we are pretty sure that we have looked at it hard enough that we, just by not changing Apache and putting another aircraft like the Apache in there, we don't see anything in the near future.

But again, sir, we have to take and make sure now about the number of aircraft we are talking about. Will it be the same, but a different kind, and that kind of stuff?

And again, sir, I am pretty sure we will come back in probably the fiscal year 2006 budget to address if there should be any need for that.

Mr. ABERCROMBIE. But for all intents and purposes then, for the chairman's consideration, for the committee's consideration, probably the way the budget is configured now, with respect to infrastructure and environment, you think that that is probably something that we can retain some confidence in?

General LUST. What we have put forward here, I believe will stay, because we do not know at this time enough of what effect the Comanche would have done on the environment.

Like I said, we did such a very thorough job on each of those sites, that right now I do not anticipate a problem by—

Mr. ABERCROMBIE. Okay. So I just raise it as to have something in mind so in case we have to do some changing. After all, the Stryker, by definition, is supposed to provide flexibility—

General LUST. Yes, sir.

Mr. ABERCROMBIE [continuing]. So we want to be able to have the same ability to respond over here if there is a necessity for some change in direction or budget authority.

Secretary PROSCH. Sir, and I appreciate that.

Mr. ABERCROMBIE. Thank you.

Secretary PROSCH. Sir, I would just like to say that there are no Comanche facilities in the 2005 budget and I would like General Pudlowski to comment from the guard perspective, on your question.

General PUDLOWSKI. Sir, as you know, the 5th and the 6th Stryker Brigades were approved by the Secretary of Defense, as you said earlier.

And we identified it in the national guard along with the support of the Army and watching the experience of the other brigades as they developed. Requirements were identified and we looked at the funding of that through fiscal year 2009.

The point that you make on the environmental impact is very important because we have our environmental team now going to Pennsylvania next week because of some of these adjustments. Because that environmental assessment is about to begin and that program will take probably through mid-year of fiscal year 2006.

When we designed the environmental impact assessment and started the plan for it, at that time, we didn't see that brigade having helicopters in it and then it came about to where it was and then they come out of the brigade.

So, nothing has been lost there.

However, just to ensure to you, that brigade, which is going to be stationed in Pennsylvania in the Pennsylvania National Guard has its primary training sites both in Pennsylvania and Virginia.

And a couple of the things that they have looked at is, if you can't get a certain range at Fort Pickett, Virginia or in Pennsylvania at Indiantown Gap; had not expanded that to Ravenna in Ohio, which is a national guard training site and at Fort Dix, New Jersey and also into Fort Drum, New York, to make sure they are included in that so we don't have to—

Mr. ABERCROMBIE. So, you agree then, the environmental—and I know you said assessment, but I am assuming you are just using that as a phrase of art—what you really mean I hope is environmental impact statement (EIS).

Because the trouble we got in before is when the lawyers come in and say, "I don't think we quite have to do everything that the law requires; we can shave the edges and get away with it and save a million dollars and something."

And then you end up in court losing.

Because my view on this is take the widest possible range of legal possibility that you have to confront and take it into account from the beginning, so that you can stand in front of a Federal judge and state with certainty that you have covered every possible angle that needs to be covered in order to come up with the proposal that is before the Congress.

General PUDLOWSKI. Sir, I used the wrong term, assessment. It was the EIS, the statement.

Mr. ABERCROMBIE. Okay. Thanks.

Thank you, Mr. Chairman. I appreciate it.

Mr. HEFLEY. Doctor Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

I don't really have any questions.

I was just going to make the comment that I noticed there has been a lot of talk about helicopters and buying more helicopters and this so-called Comanche dividend, which I have never heard of before, but that is an interesting phrase.

But I noticed, General Pudlowski, that you have three aviation support facilities in your budget, one of which is in Arkansas. But they are expensive projects. I mean they are so critical, but they are not cheap.

But I think you all have got a tough road to hoe as we talk about how we are going to take care of these helicopters.

But I appreciate the work you do and we recognize the realities of some of these things because they are so expensive to do.

Thank you for your service.

Mr. ABERCROMBIE. Mr. Chairman, just by the way, I invoked Senator Inouye's name before and I just wanted to indicate for the record that today marks the 15,036th day of Senator Inouye's service to the Nation, both in the House and in the United States Sen-

ate, making him the fifth longest-serving senator in the history of the nation.

And I expect in November he will have the opportunity to extend that by some six years.

Mr. HEFLEY. That was a fact that I am certainly glad we didn't close this hearing without knowing.

Mrs. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

I, too, do not have any questions, however, I would like to thank the witnesses for coming before us today and I do have a few comments for General Pudlowski, whom I had the opportunity to meet a couple of days ago.

I visited the headquarters here in Washington of the national guard and also participated in a pinning ceremony of one of our chief warrant officers.

And General, I appreciate your taking me through headquarters and briefing me and talking to me about your mission. And it is good to see you here today.

General PUDLOWSKI. Thank you, madam. I would like to compliment you also.

You certainly caused all of our people to pay attention when you were in the building.

And I will also tell you that there are some very great soldiers that come from your community and good guardsmen that are eager to serve the country and I thank you for that.

Ms. BORDALLO. Thank you very much, General.

Mr. HEFLEY. Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman and thank you gentlemen for being here. I appreciate very much your service and frankly, your professionalism: it is always remarkable.

Just a couple of questions.

One, and I want to start with a compliment and then go from there with the questions, last year there were decisions made during the course of the year to reprogram MILCON construction, some out of Europe, back to the United States.

That was very well done; the fact that you could make adjustments like that and I suppose my view was colored partly by the fact that some of the installations I represent were beneficiaries of that decision.

So, can you tell me this year, do you have the flexibility as you think through to make changes, if you decide, for military reasons to redirect those funds that are spent on overseas bases back home?

Secretary PROSCH. As I submitted in my written statement we have \$130 million in outside the continental United States (OCONUS) funding this year.

We have taken a very, very careful look at that, based on lessons learned from the past, and all of our combatant commanders have personally signed up for those OCONUS MILCON projects. They will be appearing before you here in early April.

And we believe that those projects are at enduring installations that are tied with the well-being of families and the importance of sustaining our combat readiness overseas.

General Lust, would you like to comment?



General LUST. Sir, I had just a couple points.

I appreciate your question as to why we, at this time, when there is a bit of uncertainty of what we will have overseas, why would we put MILCON dollars there, where we request to have projects put overseas, both in Germany, Italy and Korea.

In any scenario that the combatant command (COCOM) commander has looked at, both Grafenwoehr, Stuttgart, Livorno and Camp Humphries in Korea, all those locations are enduring installations and that is why, this year, that is the only place we put MILCON dollars in is in those places that we have been assured by the COCOM commander that in any scenario they have looked at, that has any possibility of seeing the light of day, that these locations will be there.

And the projects we have picked are the ones which go ahead and support follow-on things that have to happen, such as at Grafenwoehr, the efficient basing Germany will have collapsed 13 to 14 different facilities in on one location there, sir.

So, there was a lot of thought given as to why those particular locations were chosen. If you look at our request this year for overseas, it is about 62 percent lower than it was in the past.

For that particular reason, we said, wait a minute, if we are going to put any, it is going to be where we know we have been assured that these are keeper locations downrange, sir.

Mr. COLE. Well, again, I appreciate the professionalism and admired what you were able to do last year; I was not suggesting frankly, that you necessarily need to do that again this year.

I just want to make sure you have the capability and also, frankly, I am sure as much or more from your point of view than from ours, it would be terrible to be building something and then a year later be shutting it down. It just always comes back to haunt us.

One further question, if I might, Mr. Chairman.

And I am not trying to pin you down or be cute, but obviously, we all wonder about this 25 percent capacity question and what that means.

And one of the questions I have asked to previous people on this is simply, can you give us some idea when we arrive at that figure, is that a global figure or are we talking about all American military facilities all over the world, or is that a domestic figure?

Is that a figure that is basically focused on the continental United States and the territories?

Secretary PROSCH. I think that the Secretary of Defense was addressing an aggregate figure in 1998 when he said that approximately, his estimate is 25 percent capacity.

Again, I believe that this BRAC analysis that is ongoing, the timing is absolutely perfect for us to send out the data calls. Each installation is going to be doing a thorough analysis of that.

We are going to be analyzing it for military value and one of the great things about this BRAC is that we have joint, cross-service groups. We have seven joint, cross-service groups for the first time.

And we will have a flag rank official from every service on the joint, cross-service group and they will be in areas such as training and education, supply, medical, technical and they will be able to take a real hard look and to see if there can be some realignment,

some synchronization, some cost savings, some benefits to the taxpayers.

And so, I am encouraged that we will be able to do that this time.

Mr. COLE. Well, just if you can, as you go through that process, and if you ever reach the point you can tell us, that, "Okay, maybe it is 35 percent overseas and 15—" or vice versa, God forbid; that is an important piece of information to know.

But again, I thank you gentlemen for your service and frankly, your professional stewardship of the dollars you have. I think you do a marvelous job.

Secretary PROSCH. Thank you, sir.

Mr. COLE. Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman.

In your opening statement, Mr. Secretary, you made reference to installations as flagships and I thought that concept, that term, that analogy coming from an Army guy was pretty open-minded.

I think I have heard the chiefs say the same thing and it really suggests that we have come a long way. Back in my Army days I don't think I would have referred to anything with a Navy term, in a complimentary way, anyway.

And I would sure like to know a little bit more about that concept. I think maybe all of us would like to know a little bit more about that concept.

Secretary PROSCH. One of the 17 focus areas that we have is installations as flagship. And this is going to enhance the ability of the Army installations to both project power and also support families.

Installations support our expeditionary forces. If you look at what is going on in the world today, you are going to see more of that where our soldiers are training, mobilizing, demobilizing and deploying to fight our Nation's wars.

They are sustained more from these installations now, so we need to have a robust, reach-back capability in our installations, so they will be flagships, they will be command and control, to a certain extent, from our CONUS installations.

Our soldiers and our families, this is where they live, either on or off the installation, but that is where the family support groups are, on the installation.

And so, we just believe that our soldiers deserve the same quality of life as the society that they are pledged to defend. And so, we have a great chief of staff in General Schoomaker; we have a great secretary in Secretary Brownlee, who also is an Army veteran, as you are, sir. They understand the key part that the installations play in taking care of the family and winning the war on terrorism. And all of our installations are linked to transformation and they will be key in the fielding of the future force. So, this is a vision that the chief has given us, the challenge, and it is going to help us develop metrics to better quantify to you all the funding we need in the future.

General LUST. Sir, if you don't mind, I will tack on the end of that.

There is basically, in the short term, there are four tasks we have to accomplish to make that happen.

The first one is posture installations, the power projection platforms with a robust, reach-back capability and by that I mean to make sure we have communications infrastructure put in and so forth. So we don't have to deploy as many folks down the range. We have the communications infrastructure; they can come back and keep those folks back here so our deployment process can be quicker and doesn't eat up as many resources.

The second part is to adjust our installation support to meet the needs both in the Army and in transforming. By that I mean that we have put in place actions.

Like when the 4th Division was deployed, the folks out of the 3rd Armed Cavalry Regiment out of Fort Carson deployed and all the rest of those places, we went through the places where those soldiers worked and lived and put an immense amount of effort and resource into making sure the barracks, when they came back they said, "Somebody took care of us."

There were maintenance facilities we had that did have inside hoists to lift the engine and transmission out of the vehicles; those had been installed. So, we had taken care of that part there.

The third part is, again, supporting the well-being of the families and their soldiers. As we learned a lot in the first major push in OPERATION ENDURING FREEDOM and the objectives as they go out deploying in what was left behind and kind of, send the support those families needed.

And so, we put resources in those places there to take care of that one, plus we could do the second part here. Such things as making sure we have the resources that can pay for childcare, to have volunteers to do certain things.

We have some means of being able to allow a spouse to have a respite period just to have a couple hours away from the kids they dearly love, but just two hours of quiet goes a long way.

So, those are the three basic major things we have going in the short term to address this issue, sir.

Mr. MARSHALL. Thank you, gentlemen.

Mr. HEFLEY. Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman and I apologize, gentlemen, but I was at another hearing and got here late.

I have a couple of observations. In the summer of 2001; I was part of a congressional delegation that made a tour of military facilities to look at the infrastructure needs. I know my colleague, Solomon Ortiz, was on that delegation trip as well.

And we were appalled at some of the conditions of the infrastructure and a lot of that infrastructure is the part that you don't readily see: the sewer systems, the water supply systems, the other delivery-type systems.

My question this afternoon deals with what kind of plan is there to address the infrastructure of our military bases? And is it in play right now or is it momentarily suspended until we get through the distasteful next BRAC round as it appears we are going to have?

Secretary PROSCH. That is a good question, sir.



We talked about the initiative we have with privatizing our homes. Another key initiative that we have been working on is privatizing the utility systems.

If you look at the utility systems: the water, the wastewater, the natural gas, the electric systems on your Army installations, they are in dreadful condition and it is tough to get the adequate MILCON which we quantify at about \$6 billion to address the eroded infrastructure.

So, we have been working steadily to try to privatize this, which is really a non-core function of the Army. And since we have been onboard here for the last couple of years, we have gone from 7 to 87 privatized systems on our installations.

And General West and his people have done a very good job trying to work that piece. And we are going to continue to focus on that.

Our goal in 2004 is to issue 58 requests for proposals for additional systems and to complete the privatization negotiations on 71 more systems.

So, we have been tackling these poor sewer systems that you saw on your trip and hope to turn those over to the private sector.

Mr. REYES. Secretary, does that mean when you ask for an—excuse me General—

General LUST. Well, what I was going to add to is the 88 systems we have done, we have already accomplished for privatization accounts for 63 percent of my overall utility infrastructure process. I have 352 systems overall and 63 percent of the whole mass has now been taken care of in the first 88.

So, we went after the big pieces first and now, again, my target is to close to 71 additional ones this year.

Mr. REYES. When you put out a request for proposal (RFP), does that include the actual going in and replacing the sewer lines, the water pipes, the water delivery system, fire hydrants and all of that?

Or does that just include the delivery of that?

Secretary PROSCH. It includes the whole system, which is the good news about this where it would be tough for us to get the MILCON dollars to actually replace a natural gas system, for example, or a wastewater plant.

When the private developer becomes our partner, they take over ownership for 30 years for the entire system and they bring it up to code, sometimes have to replace it, and then continue doing the operations and maintenance functions for that system.

Mr. REYES. Does that also apply to the road system? Because, particularly out West, I know that my colleague Mr. Gibbons has a road that he has planned to replace for the longest time through MILCON dollars.

I have one between Fort Bliss and White Sands that is really a deathtrap in terms of its condition. Would that also apply to roads, or is that separate?

Secretary PROSCH. Sir, that is separate, it is not applied. The privatization does not fall under the road system.

I am pretty sure I know the road you are talking about, it is one that I have asked the Southwest region to figure out how we move the process along to get it fixed.

I was out there about three weeks ago and that is a road I would not want to travel high speed at night.

Mr. REYES. Right. That is known as War Road and it makes war on anybody that dares to go on it.

Well, thank you gentlemen. I appreciate it.

Thank you very much.

Secretary PROSCH. Thank you, sir.

Mr. REYES. Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Bishop.

Mr. BISHOP. Thank you.

Mr. Secretary, I have an unwritten rule that I shouldn't be able to ask a question in any meeting where I haven't at least sat for a half hour.

And I haven't quite fit that quality yet, so instead of a question, let me just give you something that is better than a softball.

I want you to know how much I have appreciated your particular staff. Their professionalism in answering questions, in fact, I had one this morning and you answered it this morning at the same time, and how well you have worked with my office. I want you to know how much I appreciate the members of your staff who have been able to do that.

I recognize that the money situation will always be difficult, specifically out in my district, Michael's Airstrip at the Dugway Proving Ground is something that is extremely important to me and the commitment that you have made to put that back one year, but the commitment to actually have the main airstrip done and in a timely manner, is something with which I am grateful and I am appreciative and I want you to know that. And I want you to know how much I appreciate your staff working with us and those types of reassurances.

And now I am also grateful for how well you were able to work with us in getting the emergency strip and taking the money from the state of Utah to finish that and now it becomes even more significant out at Dugway.

So, instead of asking a question, I wanted to just give you some congratulations and my thanks and especially to your staff for how beneficial and helpful you have been to me and to my staff.

Secretary PROSCH. Thank you, sir.

Mr. HEFLEY. Mr. Bishop, you are ruining our committee's reputation with that kind of talk. You understand that, don't you?

Mr. BISHOP. Mr. Chairman, I will try and be more relevant in the future.

Mr. HEFLEY. Don't let the record show that someone on this committee was nice.

Mrs. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman and since I wasn't able to be here for the other part of the hearing, I might just ask whether you have already covered the family housing issues. Has anybody asked about that?

I happen to be from San Diego, where we are certainly concerned about the quality of life issues for the Navy and Marines.

Unfortunately, we don't have an Army base in the district, but I know that family housing issues continue to be very important to

all of us as they impact the men and women serving in the Army as well.

And I am just wondering whether the Army will be able to proceed with the family housing improvements that you have been talking about and working on, if Congress does not eliminate or raise the cap. How is that going?

Secretary PROSCH. Well, first of all, we did talk about this at length a little bit earlier and thanks to the leadership of this committee, Congressman Hefley, we were able to get the legislation to initiate the residential community initiative, which in my opinion, is the best quality of life initiative we have had in the Army since I have been around the Army and that is since 1965, because it goes to a fundamental need of the soldier, especially the junior enlisted.

When you can give them adequate housing and make sure they are not taking money out of pocket, it enhances their well-being, it enhances the unit support system, it allows us, when we deploy our soldiers overseas, when they know that their family is being cared for, it is going to allow that soldier to keep his head in the game while the family is being cared for back in the states.

We do have a challenge coming up where we are going to need your support and that is, very quickly, to convince the budget committees that we need to lift the \$850 million cap on the equity investments that we put into all the services' privatization deals.

To date, we have invested in all of our RCI programs approximately \$330 million in equity investment, but that has gained for us over \$7 billion in private developer funding for our programs.

So, it is a great program and with your assistance and leadership, we need to figure out how to grapple with and lift that cap.

General LUST. If you don't mind, I would like to add to that, Mr. Prosch.

One, on our reference to cap, just to put it in very broad terms: if the cap is not lifted it is going to take us about \$2.2 billion to get that adequate housing and it, quite honestly, can take somewhere between 20 and 30 years. But if the cap is lifted it will cost us about \$255 million and I can get a bill out in 5 to 10 years.

In reference to what this budget does for us this year in the way of family housing: it is going to allow us to privatize, give us some funding to privatize almost 12,000 houses and we will be able to replace 1,313 homes, I am going to upgrade 785 more and build 100 new homes up in Fairbanks, Alaska to support the Stryker Brigades being located up there.

And also it keeps us on course to be able to have a programmatic and budgeting place to eliminate inadequate housing by fiscal year 2007.

So, like you, housing is very important to us. And this budget that we have put forward keeps us on track to meet that goal, Madam.

Ms. DAVIS OF CALIFORNIA. Okay. Thank you very much.

And I guess it always is helpful if you know which projects would be eliminated, if you can identify those and communicate with those individuals that represent those communities; makes them greater champions.



Secretary PROSCH. I can give those to you now if you would like them, Madam.

Ms. DAVIS OF CALIFORNIA. Okay. All right.

Secretary PROSCH. About Fort Drum, New York; Fort Sam Houston, Texas; Carlisle Barracks, Pennsylvania; Picatinney in New Jersey; Fort Monmouth, New Jersey; Fort Bliss, Texas; Fort Benning, Georgia; Fort Knox, Kentucky; Fort Rucker, Alabama; Fort Leavenworth, Kansas; Fort Gordon, Georgia; and Red Stone Arsenal, Alabama: those are programs, RCI programs that we would have to stop.

General LUST. Not only would we have to stop those, but there are 11 others that we are looking at to go ahead and extend this program.

So, it really does put a tremendous dent in the program.

Ms. DAVIS OF CALIFORNIA. Great. Thank you. Appreciate it.

Mr. HEFLEY. Let me just ask: you are going through this global posture review and I know you don't have the answers to that now and what it is going to mean, but almost surely, there are going to be some troops brought back to the continental United States.

In fact, the estimation is there may be as many as two Army divisions brought back to U.S. soil, but again, I am sure you don't know and we don't know.

But, when you are thinking about that and making those estimates of two divisions or whatever, are you thinking about us having the excess capacity from a military construction facilities standpoint to put those troops into existing facilities without additional MILCON?

Are you thinking that we will have to provide considerable additional MILCON for any troops that come back? And if so, are you thinking in terms of the long preparation line it takes to get those things funded and built?

The quicker we know what we are shooting at there, the more we can be of help to you to facilitate this. Do we have the excess capacity out there? Or are we going to have a lot of MILCON to deal with that?

Secretary PROSCH. Well, that is a good question, sir.

As I said, the timing is perfect for us to be doing our analysis, based on the criteria of military value. And as we do the BRAC at each one of our installations, it is going to reveal a much better, more accurate picture of where our capacity is.

And given that information, based on the Secretary of Defense's decision for the integrated global presence spacing strategy, which is forthcoming in the next 90 days, we have time to do this and factor this into our analysis.

And I would ask General Lust to comment because he and I have been talking about this very subject and how do we work MILCON into this picture.

General LUST. As Mr. Prosch has said, the global posture and basing study and its release in the next 90 to 100 days falls in very nicely with the BRAC study we are going through and making analysis of what assets we have, et cetera.

We have, in my office, have had folks take a look at various posts, camps and stations doing their "what-if" drill, doing a kind

of, inventory of what the assets there are? And if we did this, what does that mean and looking at that kind of stuff there.

At this point here, I can't tell you if we are going to need more MILCON, however I would be surprised if we did not require some.

Now, to get to your concern which we share is the time we make a decision, when I can, in fact, have something built. As you know, if I want to have something in the fourth quarter, fiscal year 2008, I have to make a decision this April to get it in this process, but to fill that gap, working at various ways of temporary facilities, et cetera.

You know we are going to grow some brigades from 33 to 43 for sure and then fiscal year 2006 make a decision where we go and get the last part of them.

There is going to be a fundamental shift in the way in which we do this.

There is going to be brigades formed that will not necessarily be on the post of where their division headquarters is, which has been different than we have done in the past, for the most part.

So, we are looking at how we are going to base the brigades. We are also going to have to use some temporary facilities in the meantime to fill that gap for MILCON.

Mr. HEFLEY. It is not an easy logistical situation, I am sure and Mr. Secretary, didn't you tell me in our meeting that you hoped to have some idea about this in the next couple of months?

Secretary PROSCH. Sir, as soon as we get a decision out of the Secretary of Defense as to which units are coming back from overseas, we will consult with you.

I do believe that we will be told which units are coming back; the location and the when is going to be based on the analysis that we are doing right now with the BRAC.

It would be good to move people in the summer, so we take care of families and we can coordinate with school districts.

These are the type of things we want to do to ensure we continue the good quality of life for our troops.

Mr. HEFLEY. Well, gentlemen, thank you very, very much. We appreciate you being here and it is very helpful.

Mr. Taylor has an additional question.

Mr. TAYLOR. Mr. Secretary, again, I want to thank you for the good you and all of your folks have done on helping Camp Shelby live by the environmental laws without changing them.

As you know, one of the things that they are doing involves the composite maps, since I got quite an education from you folks on the use of operation and maintenance funds and what you could and could not use it on.

I was just curious, if you classified what account that would fall under, would those mats fall under operation and maintenance funds if that is how Camp Shelby chooses to solve its problem, but have you all given that much thought yet?

Secretary PROSCH. Sir, I am going to have to take that one for the record and do some research so I can make sure that we give you the best bang for the buck.

Mr. TAYLOR. Okay. I will settle for that. Thank you very much. Secretary PROSCH. Thank you, sir.

Mr. HEFLEY. Thank you very much. I am sure we will be seeing a lot of each other in the next months. Thank you.

Secretary PROSCH. Thank you, sir.

[The information referred to can be found in the Appendix beginning on page 185.]

Mr. HEFLEY. Now I would like to welcome our second panel representing the Department of the Navy.

We have the Honorable H. T. Johnson, Assistant Secretary of the Navy for Installations and Environment; Rear Admiral Christopher Weaver, Commander, Navy Installations; Brigadier General Willie J. Williams, Assistant Deputy Commandant for Installations and Logistics.

So, as soon as we get settled, we will get started here.

Well, Secretary Johnson, Admiral and General, we are very happy to have you here today and I guess we will start, Mr. Secretary, with you.

#### **STATEMENT OF HON. H.T. JOHNSON, ASSISTANT SECRETARY OF THE NAVY, INSTALLATIONS AND ENVIRONMENT**

Secretary JOHNSON. Thank you, Sir; we are very pleased to be here.

As you mentioned, I am accompanied by Rear Admiral Chris Weaver; he is the Commander of Naval Installations. It is a new command and he is going to talk a little bit about it.

He is a graduate of the Naval Academy, 32 years of service, extensive experience in facilities for the last 5.5 years.

He served as the Commandant of the Naval District of Washington. He has also consolidated all the funding for installations; that is a great step forward and he will talk a little bit about that. He also brings an operational background from the surface Navy.

On my left is Brigadier General Willie Williams. He is the Assistant Deputy Commandant for Installations and Logistics.

He has 30 years of active service, four tours in Japan—not quite sure how he got to stay there so long—he has been the commanding general of the Marine Corps base at Camp Butler, commanding general of the 3rd Forces Service Group.

He had previous operational commands and also served in the Department of Defense, Inspector General's Office.

He has extensive experience in supply and also logistics and is now responsible for all of the installations in the Marine Corps.

I would like to address a few highlights, and we prepared an overall statement for the record.

Mr. HEFLEY. Mr. Johnson, I think I neglected to say that all the statements will be put into the record without objection.

Without objection, so ordered.

Secretary JOHNSON. Thank you, Sir.

The 2005 Department of Navy budget is a strong statement of support for the Navy and Marine Corps bases around the world.

In most cases, our budget request is lower because of initiatives that gave us equal or better results at lower cost. We have better housing for our single sailors and Marines, as well as those who have families. Families have been a very high priority and we have done quite well.



This budget culminates a four-year effort to eliminate the average out-of-pocket expenses for family housing.

The increase in the basic allowance for housing also means that our sailors and Marines can find good, affordable housing in the community without additional out-of-pocket expenses.

Our public/private ventures are truly changing the face of our housing program in the Department of the Navy. Last year, I reported that our public/private venture (PPV) awards were for a total of 8,300 homes and we have now awarded 11 more projects for a total of 16,000 homes.

During 2004 and 2005, we plan to award 26,000 homes at 10 Navy and Marine Corps bases that will give us a total of 41,000 public/private venture homes in the Department of the Navy.

Perhaps the greatest benefit of these PPV projects is that they are capitalized from the start. They have sufficient funds to maintain and revitalize the homes through their entire expected life. This is something that, frankly, we have not done before.

Mr. Chairman, you made a request earlier with the Army, "What would happen if we don't get any increase in the ceiling?" We would lose 10,500 of those 26,000 homes if we don't get that. I don't know how many years it would take, but it would be \$3 billion more if we did it under MILCON.

We are pressing hard to improve the housing for our bachelors. I personally believe we have done very well by our families but, our bachelors, we have not provided proper housing for them.

We have 17,500 sailors in the worst quality of life in the Department of Defense. They have no place to live except on board the ships. We want to give them a place ashore to call homeport ashore so that they can have a dormitory room when they are in port.

Our Shipboard Sailors Ashore Initiative has given us 4,900 places for sailors ashore. This year we plan to add spaces for another 800 sailors. We still plan to solve this homeport ashore challenge by 2008. With this budget, the Marine Corps will eliminate their permanent party barracks with gang heads in 2005; the Navy will do so in 2007.

We continue to fit the very best aspects of the public/private ventures to our barracks' challenge. There are unique considerations we must resolve. Some of these are extended deployments. We plan to pursue three housing locations. The first one that looks very, very promising is in San Diego. The challenge is to be able to fill the barracks if all the sailors and Marines go off to war.

We have a very robust MILCON program of \$1.1 billion along with sustainment, restoration and modernization funds of \$1.9 billion in operations and maintenance (O&M) funds.

The refinements in the DOD sustainment model couple with our efforts to demolish old facilities, allow the Navy to budget for less and still increase the sustainment to 95 percent compared to 93 percent last year. The Marine Corps sustainment rate is at 95 percent also.

About two-thirds of the MILCON request is for restoration and modernization projects. Both the Navy and the Marine Corps achieve Department of Defense's 67-year recapitalization rate by 2008. The Marine Corps improves this year from 88 years to 78. The Navy increases a little bit by going from 140 to 148 years.

As all of you know, and as you directed, we will close Naval Station Roosevelt Roads in Puerto Rico the last day of this month. We are taking every precaution to help the civilian employees find other jobs and to sensibly relocate the people who are working at Roosevelt Roads. The Department of Defense School will stay open until the end of the school year.

We are working very closely with the local redevelopment authority that was appointed by the commonwealth to a common goal of a quick turnover of this property.

Looking forward at BRAC as, I think, Mr. Taylor mentioned a few minutes ago, the 2005 BRAC is of great interest to you and to everybody in America. The Department of Defense will meticulously follow the law; there will be no closures or realignments list in anybody's desk, drawer, filing cabinet or elsewhere. There will be no list until certified data is gathered, we have carefully analyzed the capacity, compare it against the force structure needs, rigorously assessed each activity using military value and met all requirements of the law.

While eliminating excess capacity, which will generate savings, which is an important driver, the Secretary of the Navy, the Chief of Naval Operations and the Commandant and I view BRAC 2005 as a unique opportunity to transform our infrastructure in a manner similar to and with compatibility with our force structure.

We support the joint approach where it takes an operational and financial sense. There are seven cross-service groups, as Mr. Prosch mentioned. These groups arguably are the most fundamental difference in this year's BRAC.

We are making great progress to complete environmental cleanup on property and dispose of the property from the four prior BRAC rounds. We are finding that selling property is a win-win-win for everyone. The taxpayer gets return on investment, the community gets rapid re-use, and the property goes on the tax rolls if it is being developed for commercial use, the Department of the Navy gets cash to accelerate the cleanup at the remaining BRAC bases.

Prior BRAC property sales, last year, generated \$204 million, which is now being used to accelerate work previously planned for 2005 and 2006. Our entire 2005 budget of \$115 million is financed using these sales receipts.

We have used very conservative estimates for land sale revenues. Just like last year, any additional revenue we receive will be used to further accelerate the cleanup at the remaining prior BRAC locations.

Speaking of cleanup, we spent \$2.3 billion on cleanup for BRAC properties so far. After 2005, we will have about \$.5 billion left to go.

With respect to prior BRAC property disposal, we started with 161,000 acres to dispose of from all prior rounds. We expect, at the end of this year, to just have 11,000 acres, that is 7 percent, remaining on the rolls. Week after next, I will go up to Alaska and we will sign over 71,000 acres at Adak, which will make a great improvement to our process of getting rid of the BRAC land.

I want to thank the members of this committee for supporting the DOD Readiness Range Preservation Initiative last year.

Changes in the Endangered Species Act, the Marine Mammal Protection Act along with changes that were made the year before in the Migratory Bird Treaty Act have gone a long way to balance military readiness with environmental stewardship.

We are implementing all these changes in a manner befitting the very special trust and confidence you have given us. We will continue our excellent work as environmental stewards.

We ask that these important improvements not be disturbed as we continue to develop in a way that we defend our Nation and environment with the character that you expect of us.

Our 2005 environmental program totals \$1 billion; about the same as last year. These are sufficient funds to pay for all known environmental compliance cleanup agreements along with the implementation of plans by the Navy and Marine Corps in the integrated natural resource plans.

Cleanup of our active bases is proceeding well; 69 percent of our sites have remedies in place or cleanup complete. And we are making steady progress on the others. With your permission, I would like to ask Rear Admiral Weaver for some comments.

[The prepared statement of Secretary Johnson can be found in the Appendix on page 157.]

Mr. HEFLEY. Admiral Weaver.

#### **STATEMENT OF REAR ADM. CHRISTOPHER WEAVER, COMMANDER, NAVY INSTALLATIONS**

Admiral WEAVER. Good afternoon, Mr. Chairman and distinguished members of the committee. It is a pleasure to be before your committee today to discuss the Navy's fiscal year 2005 shore infrastructure budget request.

Indeed, I am the Commander, Navy Installations Command and, in this capacity, I am responsible for the development of the Navy's shore infrastructure programs and for determining ashore capabilities necessary to maintain our Navy in a high state of readiness.

I would like to take just a few additional moments and amplify some of the areas mentioned by Mr. Johnson in his opening statement.

Coupled with mission accomplishment, again, our people are our most important priority. Truly, both mission accomplishment and people are inextricably linked.

As you are well aware, we have roughly 18,000 sailors living on-board ships while in homeport and these sailors, like all sailors in the Navy, endure a very austere lifestyle aboard ship when it is underway on deployment. While their ships are in homeport, we need to offer them a better place to call home, similar to their married shipmates and others in the community.

This is a major quality of service issue for us, all of us, in uniform, and we are programmed in executing projects that will resolve this challenge. We are also looking at innovative ways, such as bachelor housing privatization to further expedite housing those shipboard sailors as well as all of their eligible sailors ashore.

Our goal is to have all sailors who are living on a ship while in homeport to be ashore in their living spaces by 2008. This initiative will help lessen the divide with regards to housing for single sailors.



We are achieving excellent results, as Secretary Johnson said, with family housing privatization. The public/private ventures that the Navy is operating continue to eliminate inadequate family housing and construct new homes to satisfy deficits to meet or exceed DOD goals.

We developed a business strategy that limits our liability, which manages our risk, and results in the appropriate level of Department of Navy participation while maintaining safeguards and protections. Our business strategy and acquisition approach have been accepted and applauded by others in government and by the private sector.

PPV enables us to provide higher quality, affordable housing to sailors and their families faster and at a lower initial and life cycle cost to the Navy. PPV is of benefit to the community, refreshing aged housing while stimulating local business.

Last, Sir, I would like to speak just a few words about Commander, Navy Installations Command, or what we call CNI.

As you are aware from testimony given last year, this past October the Navy stood up CNI in order to align all shore-based support facilities and processes under one entity.

Our objective is to enhance the Navy's combat power for the same or fewer expended resources. As we centralize, shore support processes will become more coherent and focused, and our product delivery will become more efficient and reliable.

If the forward operating forces do not have to constantly look over their shoulder to check for support, they can focus more on their deckplate jobs and will become more effective in their area of operations.

One of the key aspects of CNI and the new business model is to measure outputs of every function in the Navy's support structure and work backward to create the most efficient system to provide those outputs.

We need to move past the culture of deficiency in which we measure success only by the inputs provided and go forward toward a culture of sufficiency in which we focus on measuring our success by the outputs necessary to maintain a high level of readiness.

The end result will be a Navy that has measurable goals to help determine how best to use limited resources in the most effective ways possible.

I sincerely thank you for the continued support of this committee and of your staff, Mr. Chairman, for our Navy and for what we are doing in ashore infrastructure and I certainly look forward to working with you now and into the future.

Mr. HEFLEY. Thank you.

General Williams.

**STATEMENT OF BRIG. GEN. WILLIE WILLIAMS, ASSISTANT DEPUTY COMMANDANT, INSTALLATIONS AND LOGISTICS (FACILITIES), UNITED STATES MARINE CORPS**

General WILLIAMS. Yes, Sir. Mr. Chairman, distinguished members of the Readiness Subcommittee, as Secretary Johnson indicated, I am Brigadier General Willie Williams.

I am the Assistant Deputy Commandant for Installations and Logistics at Headquarters Marine Corps. It is certainly a pleasure to appear before you here today with Secretary Johnson and Rear Admiral Weaver.

First, I would like to thank you for your continued support for the Marine Corps and Marine Corps construction. Installations, as our fifth element of the Marine Air Command Task Force, really are a key and critical component of our readiness to fight and win our Nation's battles.

Our fiscal year 2005 budget request provides \$505 million for active and reserve military construction and family housing. This, along with \$463 million for facilities sustainment and \$67 million as proposed for restoration and modernization devotes over \$1 billion to maintenance, sustainment and construction at Marine Corps installations.

The combined active and reserve military construction program will provide \$236 million toward urgently needed readiness, compliance and quality of life construction projects.

In 2005, we are proposing two vehicle maintenance facilities in support of our reserves based in Virginia and Florida.

Our long-term capital improvement plan for waste water treatment at Camp Pendleton continues with its second increment of funding.

Our proposed investment of \$75 million for barracks projects at Camp Pendleton, New River, Yuma and Quantico will meet our goal to eliminate gang head barracks for our permanent party Marines.

The family housing request of \$269 million will keep the Marine Corps on track to have contracts in place to eliminate inadequate family housing by the end of year 2007, and public/private ventures are critical to keeping us on track to meet that goal.

On September 30, 2003, the largest PPV to date, within the Department of the Navy, was awarded that will provide over \$500 million in construction as well as long-term management, maintenance and recapitalization of our Marine Corps family housing communities in Virginia and California.

The facilities sustainment, restoration and modernization program proposal maintains funding for the sustainment of our facilities at 95 percent of the OSD established requirement.

The Marine Corps has also committed to spending \$67 million in restoration and modernization of existing facilities.

And these investments, while smaller than fiscal year 2004, continue to ensure that our facilities will be in better condition at the end of fiscal year 2005 than at the beginning.

Mr. Chairman and members, I would just like to close by stating that the Marines and their families make great sacrifices in serving their country.

The Marine Corps prides itself on its legacy of rewarding that sacrifice by taking care of our Marines and their families. And I think this budget is designed to help us do just that.

And the Marine Corps would certainly like to thank the committee for a strong continued support of the Marine Corps infrastructure program and the benefits this support provides in improved

readiness and quality of life. Mr. Chairman, this concludes our statements and we are happy to answer your questions.

Mr. HEFLEY. Thank you very much, all three of you.

Mr. Secretary, I can't imagine that the Navy has a lot of facilities that will be caught in the BRAC this time. Considering the hits you have taken in the past and considering the Marine Corps didn't have a lot of facilities anyway, do you anticipate anywhere near that 25 percent where the Navy is concerned?

I know that is just an arbitrary figure anyway, but do you anticipate any big hits because you have really, in the last four rounds, you have taken some big hits.

Secretary JOHNSON. As I mentioned in my statement, we have not looked at what we might close or what might be on any list. We are collecting data, we will compare it, and I am sure the Navy and Marine Corps will participate with the Department of Defense. I am not sure any service will be allocated a fixed percent or anything like that.

I think in the joint manner we are doing it; we will look at it in the whole as opposed to each individual service.

Mr. HEFLEY. I am sure you will and I hope you will fight to see the Navy doesn't give up anymore port space. It seems to me we gave up more port space than we needed to be giving up anyway and you don't replace that.

And the Navy kind of needs port space; you may have noticed that since you have been secretary.

Secretary JOHNSON. Certainly the Navy has to have water for our ships and that will continue to be a priority.

Mr. HEFLEY. You know, none of us like BRAC very well anyway. But, particularly where the Navy's concerned and I, again, this is not my area of expertise, I have Air Force and Army where I come from but it is something I am—

Secretary JOHNSON. You have an awful lot of Navy people in Colorado also.

Mr. HEFLEY. We do have quite a few. That is right.

And I don't know why we can't go ahead and dredge the Arkansas River to make a port there in Colorado, but you won't go along with that, but I do worry about the Navy in terms of the hits you took before, and I hope this will not be a big BRAC for you but I know we don't know, at this time.

Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman. It is nice to see our good friends today, Secretary Johnson. And I think that if anybody knows anything about base closure, it is Secretary Johnson. He was one of the very valuable members of the base closure commission that we had several years back.

You know, one of the things that we need to do, and I don't know how to do it, I know some of our members have been talking to the Budget Committee to see if they can overrule the CBO scoring because this is going to be very, very important.

And I hope that we can find a way to work around that, otherwise, the housing initiative will be devastated.

Secretary JOHNSON. Sir, I couldn't, nor could my partners, say more about the need for that. When we do this, our people are



treated just like living on the economy. And they have houses that are comparable.

Someone was telling me, I guess this morning we were working or something, that a wife was telling her commander that her husband wasn't about to get out of the Marine Corps.

She had the best house she had ever had and she was going to keep him in there. And these really make a big difference to our families and we have to do the same thing for our bachelors.

Mr. ORTIZ. And if I am not mistaken, I don't think that it was long ago that General Williams was getting that star. You remember that when you testified before our Committee? Congratulations on the promotion, general.

General WILLIAMS. Thank you, sir.

Mr. ORTIZ. I think that they have listened to most of the questions, Mr. Chairman that we asked of the other panel that just left. And I think that the issues and the concerns are about the same so I give back the balance of my time. Thank you.

Mr. HEFLEY. Thank you, Mr. Ortiz.

Mr. Taylor.

Mr. TAYLOR. Thank you, gentlemen, for being here and General Williams, I also want to congratulate you on your promotion.

General WILLIAMS. Thank you, Sir.

Mr. TAYLOR. Secretary Johnson, a couple of things.

Number one, you have an extremely impressive resume and you strike me as a very smart businessman.

So, as a businessman, I want you to tell this skeptic why privatization of particularly houses that we already own, why we are going to shut down houses that we already own on land that we have already paid for and go out and rent houses.

Now, I see short-term we are able to upgrade some people's quality of living but the long-term, as far as the taxpayer and, by the way, the DOD—since this comes out of the DOD budget—long-term I see a bigger and bigger chunk of the DOD budget not going toward building ships or buying munitions or paying people, but going to basic allowance for quarters.

Now, I am going to give you the opportunity to convince me that I am wrong.

Second thing is I am looking at page 11 of your testimony after just reading about the 33,000 acres of land that we are acquiring as a Nation in North Carolina.

You are talking about BRAC and you say, we will base all recommendations on the 20-year force structure plan, infrastructure inventory, and published selection criteria. In no event will we make any decisions concerning reduction of infrastructure until all data has been collected, certified and carefully analyzed.

I think the fact that we shut down Cecil Field with 4 working runways, 3 of them 8,000 feet long and one of them 10,000 feet long just to go buy 33,000 acres in North Carolina at 2004 dollars. I think that tells me we did not analyze all the options over a 20-year plan, that no one was looking out there for the F-18 E and Fs coming along, and I don't think anyone is looking out there for the Joint Strike Fighter coming along.

So again, I am going to give you an opportunity to tell this non-believer and, by the way, since you are, and your resume shows it,

a heck of a businessman, I would like you to explain to me the beauty of selling property last year for \$204 million that we paid \$2.3 billion to clean up.

Now again, I was just an old corrugated box salesman and you ran a big corporation, and I am sure there is a reason why each of us had the jobs we did. But that doesn't sound like a bargain to the taxpayers to me, sir.

But I am going to give you an opportunity to tell me why these three bargains are going on right now.

Because, again, I was one of the few guys who three years ago, about right now, heard the commander in chief say he could cut taxes, increase spending, pay off the trust funds and said, "It ain't gonna work."

And, we are \$1.3 trillion deeper in debt than we were 33 months ago and owing \$2 trillion of that debt to various trust funds, including these gentlemen's retirement fund.

So, sir, if I am getting a little skeptical, there might be a reason for it.

Secretary JOHNSON. Yes, Sir. I will try to answer the three questions you asked, in reverse order perhaps.

The comparison on the environmental cleanup is for the 161,000 acres and the \$204 million was for 237 acres.

Certainly, as a businessperson you wouldn't want to spend that kind of money cleaning up the property. The Nation requires us to clean up the property—

Mr. TAYLOR. I understand that.

Secretary JOHNSON [continuing]. For desires of the community as opposed to how they plan to use it. And we clean property far beyond what a commercial organization would do.

On the outlying landing field, there were, no doubt, some bad decisions made in previous BRACs. I have defended the field you talked about unsuccessfully and many people would like to have it very much.

That is a long way from where we need the outlying landing field. That is why we are trying to acquire some land in North Carolina, Washington County, for the outlying landing field.

The public—

Mr. TAYLOR. If I may, at what cost per acre? I am wondering, if you were acquiring that land in Mississippi, you would be paying, at the minimum, \$4,000 an acre.

So, do you have any idea what you are going to be paying per acre for that 33,000 acres?

Secretary JOHNSON. I know what it is appraised at, Sir.

Mr. TAYLOR. And that is?

Secretary JOHNSON. Less than \$2,000.

Mr. TAYLOR. Less than \$2,000; okay.

Secretary JOHNSON. Yes, Sir.

On the public/private venture, we, in the Navy, and I think all the Department of Defense, I believe the first place we want our sailors and Marines to live is in a private community.

And, in essence, when we do the proper in its best form, public/private venture, they are living on the economy and, in essence, the public/private venture is building the houses that the economy doesn't have.

If we were to privatize all of our housing, the government would be out of the housing business and we, in the Department of the Navy, would like that.

We find, in our process, it is always difficult to keep the houses: number one, properly repaired——

Mr. TAYLOR. If I may, Mr. Secretary?

Secretary JOHNSON. Yes, sir.

Mr. TAYLOR. If we are doing our job, someone is going to pay to maintain these buildings; either us or the private sector. And that is what troubles me, is just this admission, apparently, on the part of this Administration and to a certain extent, the previous Administration, that we just can't do it as good as the private sector.

I don't buy that.

Secretary JOHNSON. Well, we can give you 100 examples of how it works at public/private venture versus MILCON.

First of all, we are a partner in the public/private venture; cannot be over 45 percent or so but we are 30 to 40 percent partner in all of those. And, when a house is empty, it is filled within three days, in the MILCON, a month or two we get it filled.

When there is a problem it is fixed by the partnership very, very quickly because that is the way the private sector does it. Is it a strike against us?

These two gentlemen on my left and right: yes. But, the motivation isn't there in the public/private venture; they don't get paid unless the house is filled.

And it is amazing the motivation that goes with that. And our people get better housing, it is sustained, it becomes a self-sustaining entitlement.

It will continue as opposed to every so often we have to come to you and say, "Give us money to build more housing."

Mr. TAYLOR. Mr. Chairman, if I may?

Mr. Secretary, I have been made aware by the citizens of Jackson County, Mississippi, where homeport Pascagoula is. And they have, like every community that has a base, they have some very real concerns that they may end up in the crosshairs just like every community is afraid of ending up in the crosshairs. Their concerns are heightened by some language that went to the creation of the homeport in the first place.

That plot of land was donated by the state of Mississippi as was the causeway to connect that plot, that island, to the mainland. The services were donated by Jackson County, the water, sewer and the electrical hookups.

So they have substantial investment.

The language that was agreed upon in the 1986 timeframe or so said that if that facility was closed, that the only way the state of Mississippi could get its property back is if they reimbursed the government for the total expenditures on that island by the government.

I realize I wasn't here; probably made sense at the time, but it kind of strikes me, having seen so many properties reverted to so many places for free as in Vieques, and what could well be getting ready to happen at Roosevelt Roads, I think that is unfairly singling out a community.



And, I am going to ask you, on behalf of the people of south Mississippi, to take a look at that.

Our first choice is, I hope you know and I will scream it at the top of the mountain tops, we want the Navy to stay.

Should the Navy decide to leave us, then I think in fairness we would like the same sort of deal that my Puerto Rican colleagues got and folks all around the country got, including the New Yorkers who got a \$.5 billion piece of property at Governor's Island for \$1.00.

We would just like the same deal they had. And I would ask you to look into that.

Secretary JOHNSON. Yes, Sir. First of all, I know the people of Pascagoula are: one, are defending keeping the base——

Mr. TAYLOR. And that is our highest priority. That is our wish.

Secretary JOHNSON. If it were to be considered, we obviously would look at those arrangements, made a few years ago.

I am not sure why they were made but I have been made aware as you pointed out, but I am sure we would look at those.

But I don't mean to be argumentative.

Mr. TAYLOR. I am not asking you to be argumentative.

Secretary JOHNSON. I am not talking about Pascagoula now but we, in the last couple of years, have been very, very successful in selling property, and the community is better off when we do that.

I am not talking about Pascagoula but Roosevelt Roads; every intent of selling that. Vieques; we gave that, as directed by the Congress, to the Department of Interior.

We did not give it to the people——

Mr. TAYLOR. If I am not mistaken, on the western side some properties have been given at no cost——

Secretary JOHNSON. Sir, I said in recent years.

Mr. TAYLOR. Okay. Well, that is still fairly recent, sir.

Secretary JOHNSON. Yes, Sir. During my tenure.

Mr. TAYLOR. If you or someone from your staff could get back to me on that, I would greatly appreciate it.

Secretary JOHNSON. On which one, Pascagoula?

Mr. TAYLOR. On Pascagoula in particular, sir.

Secretary JOHNSON. Yes, Sir. We can do that but it is really not an issue unless Pascagoula has some reason——

Mr. TAYLOR. To that point, Sir——

Secretary JOHNSON. Yes, Sir.

Mr. TAYLOR. There is, in my district, unfortunately the Nation's most modern ammunition plant.

It was shut down in 1989, weeks after it was brought up to full production, and it has never really gotten back up to its full and best use. We would sure hate to see the same sort of thing happen at homeport Pascagoula.

I think everyone's worst scenario is a padlock on the island after the state of Mississippi paid \$24 million to build that causeway and it just sits there.

Secretary JOHNSON. It is my understanding you own the——

Mr. TAYLOR. That is what we are trying to prevent from ever happening.

Secretary JOHNSON. It is my understanding that the state owns the island and we are really only talking about the buildings and improvements.

Mr. TAYLOR. Which, for the state of Mississippi in this year's budget situation, \$40 million is a heck of a lot of money to come up with, so——

Secretary JOHNSON. Sir, my point is you have the keys to the island, so——

Mr. TAYLOR. We would like to keep it that way.

Secretary JOHNSON. Yes, Sir.

Mr. TAYLOR. Okay. Thank you.

Mr. HEFLEY. Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman. Thank you, gentlemen, for testifying before our committee this afternoon.

Secretary Johnson, I want to thank you for your testimony.

I represent the territory of Guam, and I would like to say how much we appreciate the activity at Commander Naval Forces Marianas.

I am proud that we will have three submarines in Guam, and the community is ready to welcome home the crew of the USS Houston and their families.

The projects in the 2005 authorization will ensure that we have safe drinking water from the Fena Reservoir and that the wharfs in Apra Harbor meet the Navy's needs.

I think that Guam is truly showing its potential for the Navy and I want to do all that I can to encourage continued development to fully utilize our capacity.

I remember last year, we had a conversation about cleaning up after Typhoon Pongsona and cleaning up the Fena Reservoir and this looks like it is going on at this point.

In 1968, Mr. Secretary, Guam had 15,000 military personnel on the island and everyone felt very welcome. So, today we stand ready to welcome an increased military presence and I was wondering if you have any information, ball park figures, that you can give me as to what will be the numbers with the increased Navy activity, in the next couple of years?

Secretary JOHNSON. I can tell you for the record, the increase with the subs' homeport and that sort of thing.

I cannot tell you about anything that has not been decided yet, of course. But we can provide the numbers projected on the already approved programs. Yes, Madam.

Ms. BORDALLO. But we are on the radar and we are not going to be closed, are we?

Secretary JOHNSON. You are on the radar, certainly.

Ms. BORDALLO. Well, we had a couple of base closures a few years ago, and I don't think it was the right decision at the time because I feel Guam is strategically very important.

So, I hope that——

Secretary JOHNSON. You also had the one that was reversed.

Ms. BORDALLO. That is correct, that is correct. Well, thank you very much, Mr. Secretary, and I do have a letter I would want to share with you, some concerns of some of my constituents, after this hearing.

Thank you.

Mr. HEFLEY. Mr. McKean.

Mr. McKEON. Thank you, Mr. Chairman.

I would like to thank you, gentlemen, for the job you are doing for our country and I wanted to mention; General Williams, I see on your resume that you spent some time at the Mountain Warfare Training Center.

General WILLIAMS. That is correct, Sir.

Mr. McKEON. It is in my district now and I was up there and saw some of those Marines being trained in the snow. It was an interesting experience. How long were you there?

General WILLIAMS. I was there for 2 years, Sir, from 1983 to 1985. And it certainly was a highlight tour for me. The community and the involvement that we had in the community was just great for us.

And we also got started with a lot of the construction projects up there. During that time, I was certainly in on some of the planning for those, and I understand a lot of those came through to fruition as well as some of the housing for families, and with moving the families closer to the base.

So, I am looking forward to getting back for a visit. We are excited about what is going on up there, Sir.

Mr. McKEON. First time I drove past and saw that housing, I couldn't figure what it was doing there, just kind of out in the middle of nowhere; you see this housing and then the base is back up behind it in the mountains there.

And I wanted to just mention a little bit about it because I think probably most members of the committee don't even know that this base exists.

It is a Mountain Warfare Training Center up in the high Sierras near Bridgeport, California. It is really out in nowhere but it is a very important facility that we have had since the Korean War.

And the commander was telling me that we lost a lot of people in Korea because of inadequate training facilities and equipment. They froze to death and they weren't use to fighting in those kinds of conditions.

And so they went and found this facility at that time and have been using it ever since; it has very high elevations, lots of snow. But they use it year-round; they can use it in the summer too and it is a unique facility because we don't own the land. It is owned by the Forest Service.

We use it in coexistence with them so they have people during the summer there fishing while they are doing their training.

And the commander said it was great because, like in Iraq now, we have to go in and work with the good guys and the bad guys.

So, they have to work around civilians, in addition too, while they are doing their training. And commander, it was really, really something. Tomorrow, we are going to take a walk to that peak.

They had a squad of young Marines that they had just—the sergeant—had dug a cave in the snow, and I climbed down in there and they had a young Marine from Texas.

He was lying on this shelf, a shelf built off the ground and put a candle in there to keep warm. I said, "Ever seen snow before, Marine?" He said, "No, sir." I said, "Is it cold?" He said, "Very, sir."



But these Marines, when they finish that couple of weeks of training up in there, he said, "They will be much better able to survive when they get to Iraq, Afghanistan or wherever they go because they will have the confidence.

They take them up there and they are there for 10 days.

They think that it is going to be less time than that and when they think they are going home then they put them out by themselves for three; give them a live rabbit and that is it. And they teach them how to catch their food, how to fish and whatever else.

And so I asked the sergeant, I said, "What would you do?" I said, "How long you been here?" And he said, "Two years."

And I said, "What would you do?" He says, "First thing, I would get off the mountain out of the snow." But it will give them that opportunity.

But the thing is, they build confidence, they build people that are going to be able to survive when it really counts and that is an important base. If we ever get a chance, that is a place that we ought to go out and visit. It is well off the beaten track, but a very important part of our training.

And they have done a great job there with the housing and the facilities.

And they have a full time officer there working on the environment to make sure that they don't do anything to harm the environment. They just do an outstanding job, and I just wanted to mention a little bit about that base.

And again, thank you for all you do.

General WILLIAMS. Thank you, sir.

Mr. HEFLEY. Mr. Reyes.

Mr. REYES. Well, thank you gentlemen and the only thing that I have to say is that I am going to get a hold of the Naval Inspector General for doubly torturing a poor Texan, first going to California, second, putting him in that extreme environment.

And I really don't have any questions. Thank you very much, gentlemen.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mrs. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you, thank you very much to all of you for being here.

Well, one thing I know is that we really didn't torture you when you were in San Diego.

General WILLIAMS. No, Madam, it did not.

Ms. DAVIS OF CALIFORNIA. Thank you all very much for your service and I appreciate the fact that we have talked about the need to make sure that we have barracks for our single sailors. That is very important and we are very well aware of that in San Diego.

You mentioned San Diego, but I wanted to just clarify, in terms of the status.

We have three aircraft carriers, as you know in San Diego, and I know there are plans to build barracks for the single sailors on the carriers, but I just wanted to double check about whether or not, when the Department is planning to build these barracks because it is my understanding that those initiatives are not included in this budget.

I could be wrong. Could you clarify that?

Secretary JOHNSON. We have the capability, we have the authority and it was given to us through the public/private ventures.

One barracks is in the budget, as I recall, but the public/private venture is not there, but we have authority to do up to \$150 million and that is our contribution in the Department of Defense.

We also have the authority to pay partial BAH, basic allowance for housing.

Ms. DAVIS OF CALIFORNIA. What would it take then to get that in the budget? I mean if you have the authority for the \$150 million?

Secretary JOHNSON. Yes, we have the authority to do that. It has taken us longer than I would like and I will let Admiral Weaver tell you how he is going to get it done in six months.

Admiral WEAVER. Thanks to him, we are authorized and our goal right now is to bring San Diego forward as the first of three authorized sights, that the Congress has authorized us as pilots this coming year.

And we expect to have that initiative over here through the appropriate staffing relatively soon. But San Diego will be the first of the PPVs.

Secretary JOHNSON. We have authority to do it but anytime we do a PPV we have to bring the project to you, and we have not done that yet, obviously.

Ms. DAVIS OF CALIFORNIA. Okay. Great, thank you. We have been so pleased in San Diego with the PPVs actually.

I know my colleague is gone now, but I have been quite amazed. Because you said that it takes three days to bring a new family in—

Secretary JOHNSON. And that is because we paint it and clean and everything else.

Ms. DAVIS OF CALIFORNIA. Yes, if you have to paint it but I have seen them from morning until evening. We switch around and so that really is why we can do it.

That is why the cost is kept down and that is why the private sector is so interested in coming in. They have had a very good experience with it and we have really been pleased.

It has made a tremendous difference in San Diego.

May I ask one other rather parochial question?

And it has to do with the total estimated cost for P-759, Third Street gate on Coronado and whether or not it is in the FYDP and for which year. I don't expect that you have that at your fingertips but—

Secretary JOHNSON. He has it, sure.

Ms. DAVIS OF CALIFORNIA. You have it? Oh, Okay.

Admiral WEAVER. Madam, I am sorry I will have to bring that back to you.

Ms. DAVIS OF CALIFORNIA. Okay, great, because there was a question last time in terms of the estimated costs and we wanted to double check that.

Secretary JOHNSON. I know it is in there but I don't know about the cost. I know there has been a lot of discussion about how we route traffic and so forth.

I think we are on track but we will get back to you.

Ms. DAVIS OF CALIFORNIA. Okay, great, thank you. And, again, thank you very much for all that you have done.

[The information referred to can be found in the Appendix beginning on page 191.]

Mr. HEFLEY. Mr. Jones.

Mr. JONES. Thank you, Mr. Chairman. Mr. Chairman, I noticed in the title for Secretary Johnson that the staff left off the words "Marine Corps."

It is my hope that this year when Secretary Johnson comes back, that we will have printed on the names of those on the panel the "Assistant Secretary of the Navy and Marine Corps."

Secretary JOHNSON. I have a badge that says I am a Marine civilian but I didn't bring it today, I am sorry.

Mr. JONES. Well, I am very hopeful that this year the House and the Senate will come together and see fit to bring the Marine Corps as part of the team.

Because every time, for 10 years, I have ever heard anybody at a panel like this one say, "We are the fighting team. We are a team, we are a team."

And I think the coach of the team, the secretary of the Navy or the assistant secretary of the Navy should carry the name of the complete team, the fighting team known as the Navy and Marine Corps fighting team.

So you would be the "Assistant Secretary of the Navy and Marine Corps."

So, that is my goal and I hope that my colleagues on this committee on both sides, as you have done before, you will support me again in that effort.

Secretary JOHNSON. I am a proud Marine father, Sir. So, does that count?

Mr. JONES. Well, the Lord has shown me what is right and wrong and I know that it is the right thing to do.

I would like to ask a question dealing with the depot at Cherry Point. I would ask the admiral first and then the general, Marine general second.

Are you pleased and satisfied with the relationship that has been forthcoming between the private sector and the public sector to do work at the Cherry Point Depot? Do you feel like things are going pretty well?

Could it be better?

Do you see any problems, anything you could share with us in this three or four minutes that I have?

Admiral WEAVER. Sir, I have to confess that at the outset, the depot work is a customer of mine.

In other words, the Naval Air Systems Command does that as my customer. I can't really talk about their output side but I know of no specific difficulties.

And I can get comments from Vice Admiral Massenburg for you and get back to you shortly.

Secretary JOHNSON. Okay.

General WILLIAMS. Sir, I recently took a visit down to Cherry Point, as I did all of the Marine Corps installations, starting from about October is when we got down there.



In speaking to the commanding general down there, General Flanagan, I would say that he could not be more pleased with the effort that is going on. We really saw no issues, no problems with the relationship.

The community appears to have a very nice relation; they are working very well together. They are aware of all the problems associated with having the installation there.

They work together on whether it be this or any other sort of issues, so I would say, in speaking with and basically relaying what I heard from him while I was visiting there, I would say the relationship is very good.

Mr. JONES. General Williams, thank you. Admiral, thank you as well.

You know I was pleased to hear Chairman Hefley and, of course, my friend Mr. Taylor, who left just a few minutes ago, we are the ones that this House Armed Services Committee each and every year seems to be the true patriots when it comes to what we need as it relates to facilities.

And we always, as a committee, come together and say that there should be no round of BRAC anytime soon as long as we have war fighters over in Afghanistan and Iraq and possible threats in other parts of the world.

So, I was pleased to hear Chairman Hefley say that he felt that the Navy has taken enough hits and we will see what the future holds this coming year.

But, Mr. Chairman, on behalf of this congressman and Mr. Taylor, I was pleased to hear that. I just want to thank you for your observation. Just a couple of other points and I don't want to hold you.

But, Mr. Secretary of the Navy and Marine Corps Johnson, I would like to bring up, just very briefly, because you and I have had so many phone calls regarding the outlying landing field in eastern North Carolina.

I saw recently that Secretary Manson, who is the Assistant Secretary of the Department of Interior, came out with a public statement saying that he felt that the questions involving environmental concerns as the possible—in and around Lake Mattamuskeet—that he felt that the Navy had done an adequate job of trying to evaluate what type of problems would come for the pilots as well as the snow geese.

And I would like to ask you, based on the environmental study that has been done, do you feel that the problems involving the F-18 Super Hornets as well as all the planes that might be in that area as it relates to bird strikes that it will be at a minimum or do you feel that this could be a bigger problem than maybe has been discussed?

Secretary JOHNSON. We have looked at that very carefully and are certain that Secretary Manson supports what we are doing in the letter he sent.

He and I had talked about it a long time ago and he has been supportive all along. We are quite confident that we have no more bird threat there than elsewhere.

Interestingly, last Saturday we had a demonstration.

And we had three or four sites; we had members from Norfolk at three of them. One was in the bird sanctuary and an aircraft flew over, everybody heard the aircraft, the birds never changed what they were doing at all. There was no impact on the birds.

We will have to be careful when birds migrate and so forth, that we take the normal avoidance activities to keep from hitting birds, but we don't think it is a big issue, Sir.

Mr. JONES. Secretary, I might, in April if it could be worked out, would like to myself be on the ground with two or three of my constituents from Beaufort County.

Obviously the land that is being purchased is in Washington County that is Congressman Frank Ballance's district, and Beaufort County is in my district.

And I might like to ask for that same opportunity with a few people that I select that I think need to understand, I hope, that the noise will not be the problem that they anticipate.

Secretary JOHNSON. Yes, Sir. We will try to arrange one.

It is not as easy as you think because your planes come from California. We use the new airplanes as opposed to the current ones because those are the ones we will be using and they have a little higher level of noise.

But we will try to work that out and we are scheduled to visit with you on the 9th. I have been neglectful of Mr. Ballance and I ask that I visit with him also, Sir.

Mr. JONES. Thank you.

One other question, Mr. Chairman, then I will be finished.

I want to say to each and every one of you, as other members have said, that in this time of war over in Iraq and Afghanistan, we greatly appreciate the gift that so many families have given to protect freedom for the American people first, and then the Iraqi people second to the American people.

I don't think I have ever had an experience like I did back in April of 2003.

I attended the funeral of Michael Bitts, who was a Marine killed at Nazariah, and to be at the funeral with the wife who had three children; twins that were born after Michael was deployed.

And then since that time I have had a chance to hold Michael's twins as I visited the wife this past August, that I hope that we, as a Congress, and we as the American people fully appreciate our active duty national guard and our reserves.

And that this year, in the budget process, that we do what is necessary to make sure that the war fighters on the ground in Afghanistan and Iraq know that this government does support them.

So, with that, Mr. Chairman, I will yield back my time.

Secretary JOHNSON. And if I may say, we certainly appreciate your concerns and all of the Congress supporting our men and women in harm's way.

Mr. JONES. Thank you, Sir. Thank you.

Mr. HEFLEY. I appreciate you saying that, Mr. Jones. I think all of us feel that way very, very strongly.

General Williams, when we started this effort back nine years ago to upgrade the military housing and we found we were in a deplorable situation; we were housing some of our people in third world conditions and we decided part of the whole privatization

thing was the decision that we wouldn't get from here to there with MILCON.

But we asked each of the services to estimate how far behind they were in modernization, and I have forgotten all the numbers.

It comes to me that maybe the Navy was—I don't know, Secretary Johnson—10 years behind or something? It seemed like the Army was more like 20.

The Marine Corps was the worst in terms of where they were; I want to say 40 years to bring them up to standards.

In these nine years, have you caught up with the other services? I know all your needs have not been met; any of the services have been met yet.

But have you kind of caught up with the rest of the services or would you still be behind the rest of the services in terms of the modernization for housing?

General WILLIAMS. Of course my estimation is maybe biased because I don't have the numbers of all the other services, but I think that we have caught up and probably surpassed even some of the other services in our particular housing, using PPV.

Chairman, you are certainly correct.

When we started this, we had an inordinate amount of inadequate housing we were putting our families into and, of course, the goal has been set to eliminate the inadequate housing.

The Defense Planning Guidance (DPG) goal was for us to have eliminated it by fiscal year 2007, to actually eliminate those.

With our program we, in fact, will eliminate our inadequate housing in 2007 if we stay on track.

Again, the PPV cap that we have been talking about is certainly key and critical to us being able to stay on track to that goal. But right now we are, in fact, on track.

At the end of 2005, if the budget stays the way it is, we will have about approximately 3,900 inadequate homes at that time. And that is a decrease; we were at about over 9,000 just a couple of years ago.

So, again, we had this very significant PPV project that I talked about earlier.

In our 2005 program we have PPV projects for about 5,500 homes and that is what gets us down again to meeting that goal in 2007.

And, again, if we don't get some relief from that, then we are looking at probably 2013 before we are able to get out of the inadequate housing.

So, I think we have done quite well.

Secretary JOHNSON. The Marine Corps has taken advantage of the public/private venture more than anyone else. At the end of the future 2005 year plan, if you will, 95 percent of their houses will be PPV.

And we are honored today, to have the person that is behind that, she made it all happen: Karen Ayers, stand up. She is a lady who went out and took care of Marine housing and really has used the PPV.

Mr. HEFLEY. Karen, we are proud of you for doing that because it was apparent back then, when we started this, that the Marine



Corps had other priorities; you do have other priorities: you are training people to go fight places and so forth.

And you didn't have the same priorities as some of the others but all of them were behind and all of it was bad and I am very, very pleased that you finally got some adult supervision in the Marine Corps here who could bring you along.

Secretary JOHNSON. Be careful. Her father went to the National War College with me so she is like my daughter, age wise.

Mr. HEFLEY. Oh, I see. Well, we are delighted that that has improved and I would assume that also, for the non-married; the barracks and so forth, you are moving along on those standards as well, in the same sense.

General WILLIAMS. Yes, Sir. That is exactly right.

We will be out of the old gang head barracks in 2005, which will be the last time we will be occupying those and we will be out of the inadequate barracks at that time.

We are moving and we have approximately \$75 million that is devoted to bachelor enlisted quarters in 2005 and we will begin to work on the deficits as well as the inadequate ones we have.

I think we are making tremendous progress.

Mr. HEFLEY. Well, that is very encouraging and I am glad to hear that report. And I am also very glad to hear from the Navy that you are getting these kids off the boats.

Because, and I have told you privately, this is one of the things they complain to me about when I go see them.

They will use their boats for their homes when they are deployed and they understand that and that is perfectly alright.

But when they are home, they don't want to stay on those boats and when you look at the facilities, you don't blame them.

You wouldn't, Admiral Weaver, I wouldn't, so I am glad you are moving in that direction.

This was kind of a crusade that some of us on this committee had, is to get these people who dedicate their lives to us in uniform, better places to live and work.

Places where they can feel comfortable, when we do deploy them, that their families are being properly taken care of as well. And you have done a good job and you have moved along.

We have got to do everything we can, with your help, to raise that cap so that we don't slow this thing up. That would be terrible if we slowed it up at this point, I think.

Well, thank you.

Any further questions?

Well, thank you very, very much. We appreciate it and it is very helpful.

Committee stands adjourned.

[Whereupon, at 4:21 p.m., the subcommittee was adjourned.]



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# **A P P E N D I X**

MARCH 4, 2004

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 4, 2004

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RECORD VERSION

STATEMENT BY

MR. GEOFFREY G. PROSCH  
ACTING ASSISTANT SECRETARY OF THE ARMY  
(INSTALLATIONS AND ENVIRONMENT)

MAJOR GENERAL LARRY J. LUST  
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT  
DEPARTMENT OF THE ARMY

MAJOR GENERAL WALTER F. PUDLOWSKI  
SPECIAL ASSISTANT TO THE DIRECTOR ARMY NATIONAL GUARD  
DEPARTMENT OF THE ARMY

BRIGADIER GENERAL GARY M. PROFIT  
DEPUTY CHIEF, ARMY RESERVE  
DEPARTMENT OF THE ARMY

BEFORE THE

COMMITTEE ON ARMED SERVICES  
SUBCOMMITTEE ON READINESS  
UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 108TH CONGRESS

ON THE FISCAL YEAR 2005  
MILITARY CONSTRUCTION BUDGET

4 MARCH 2004

NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
COMMITTEE ON ARMED SERVICES



**GEOFFREY G. PROSCH**  
**Acting Assistant Secretary of the Army,**  
**Installations and Environment (I&E)**

Geoffrey G. Prosch became the Acting ASA I&E 10 January 2004. He was appointed Principal Deputy (PDASA-I&E) by President Bush in June 2001.

He is responsible for policy development, program oversight and coordination for the design, construction, real estate, operations, maintenance and management of Army installations; privatization of Army family housing, utilities and other infrastructure programs; base realignment and closure; environmental conservation, compliance, clean-up and site disposal programs; and management of the Army's safety and occupational health programs.

Mr. Prosch began his public service career as an Army officer. He graduated from the U.S. Military Academy (USMA) in 1969. His 31 years of commissioned service in the Infantry included over 12 years of command duty. Service highlights included an extended tour of duty in Vietnam with the 7<sup>th</sup> Cavalry as an infantry rifle platoon leader and company commander; command of a 5<sup>th</sup> Special Forces Group A-Team; duty at USMA as Aide-de-camp to the Superintendent and as a Military Science Instructor; command of 3<sup>rd</sup> Battalion 8<sup>th</sup> Infantry in Germany; duty with the Joint Chiefs of Staff; and Command of 1st Reserve Officer Training Corps Region. His awards include the Bronze Star for Valor, Purple Heart, and Legion of Merit.

He has extensive experience in federal and private industry implementing successful facility environmental, safety, and privatization programs. He served as Chief of Staff, Fort Carson, CO; Commander, Army Materiel Command-Saudi Arabia; and Garrison Commander, Fort Polk, LA. During his command, Fort Polk won the 1997 Vice President's Hammer Award for streamlining efficiencies, implementing over 100 reengineering initiatives, and partnering with the Department of Energy for installation energy savings performance contracts.

Mr. Prosch is committed to the three components of the Army Vision: "achieving a high quality of life for people" through the Residential Communities Initiative and other infrastructure privatization programs; "strengthening the Army's readiness to prevail in every mission" by improving our installations' capacity for power projection and training support; and "making Army transformation a reality" via Transformation of Installation Management and focusing on Installations as Flagships. He is dedicated to efficiently managing and expanding the Army's \$15B budget for maintaining and improving its installations.

Mr. Prosch earned a Master of Science degree from Long Island University and is a graduate of the US Army War College. His civic affiliations include the Association of the U.S. Army, Association of Graduates USMA (past president Ft Bragg/Sandhills, NC Chapter), Disabled American Veterans, and Rotary Club International. He and his wife Kathryn raised their two children on military installations worldwide.



## **MAJOR GENERAL LARRY J. LUST, USA**

### **Assistant Chief of Staff for INSTALLATION MANAGEMENT**

Major General Larry J. Lust, United States Army, is the Assistant Chief of Staff for Installation Management. He assumed this position in July 2002.

Major General Larry J. Lust was born in Moran, Kansas. Upon completion of Infantry Officer Candidate School in 1970, he was commissioned a Second Lieutenant in the Armor Corps. He holds a Bachelor of Science degree from the University of Missouri, and a Master of Science in Logistics Management from Florida Institute of Technology. His professional military education includes Distinguished or Honor Graduate of Infantry OCS, Armor Officer Basic and Advance Courses, Supply Management Officer Course, Logistics Executive Development Course, Force Integration Staff Officer Course, U.S. Army Command and General Staff College, and the Industrial College of the Armed Forces.

Major General Lust has commanded at the company, squadron, DISCOM and COSCOM levels. He served as Commander, Combat Support Squadron, 11th Armored Cavalry Regiment; Commander, Division Support Command, 3d Infantry Division, U.S. Army, Europe; Deputy Commanding General (Support), Joint Task Force-Somalia; Commanding General UN Logistics Support Command; Deputy Commanding General, U.S. Forces-Somalia. Major General Lust served as Commanding General, 3d Corps Support Command; Deputy Chief of Staff for Logistics, U.S. Army, Europe, 7<sup>th</sup> Army; and Director of Logistics and Security Assistance, Headquarters, U.S. European Command, Stuttgart-Vaihingen, Germany, and Assistant Deputy Chief of Staff, G-4, Department of the Army, Washington, DC.

Key staff assignments include Chief, Supply and Maintenance Division, Office of the Deputy Chief of Staff for Logistics, U.S. Army, Europe; Chief, Tank Automotive, and Armament Division, Office of the Deputy Chief of Staff for Logistics, Department of the Army, Washington, D.C.; Force Integration Staff Officer, Office of the Deputy Chief of Staff for Operations and Plans, Department of the Army, Washington, D.C.

Major General Lust's initial tour of duty was as Training Officer, 19th Battalion, 5th Training Brigade, Fort Knox, Kentucky. He was then assigned to Vietnam where he served as Rifle Platoon Leader, 1-327th Infantry Battalion, 101st Airborne Division; Assistant S2, 196th Light Infantry Brigade; Assistant S3, 3-21st Infantry Battalion (Task Force Gimlet); and Tank Company Advisor, 22d Tank Regiment, Army of Vietnam. At Fort Knox, Kentucky, he served as an Armored Cavalry Platoon Leader, Troop Executive Officer, and Squadron S4 with 7-1st Air Cavalry Squadron. Following the Armor Officer Advance Course, he served as the S3 Air, S4, and Commander, Company A, 3-63d Armor Battalion, 3d Infantry Division, Augsburg, Germany. Returning to the United States, he attended Army Command and General Staff College and was assigned to Fort Rully, Kansas, where he served as a Forward Area Support Coordination Officer, DISCOM S3, and Executive Officer, 1-34th Armor Battalion, 1st Infantry Division.

Major General Lust's awards and decorations include the Combat Infantryman's Badge, Defense Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit (with two OLC), Bronze Star, Purple Heart, Meritorious Service Medal (with three OLC), Air Medal, Army Commendation Medal (with two OLC), Parachutist Badge, Pathfinder Badge, and various service and foreign awards.

Married to the former Catherine A. Schmidt of Iola. Have two sons Jon and Phillip, both Captains in U.S. Army.



## BIOGRAPHY

## ARMY NATIONAL GUARD

## MAJOR GENERAL WALTER F. PUDLOWSKI, JR.

## Commanding General, 28th Division (Mechanized)



Major General Walter F. Pudlowski Jr. assumed duties as Commanding General, 28th Division (Mechanized), Pennsylvania Army National Guard, November 1, 1998. As commanding general, he oversees the 15,500 - member 28th Division. The 28th Division has the longest continuous history in the Army.

The general's military career began as an enlisted soldier in the United States Army in 1965. He was commissioned following Officer Candidate School at Fort Knox, Ky. His initial assignment was as a Training Officer and Company Executive Officer in Company Y, 2d BCT Brigade, Fort Dix, New Jersey. After a tour of duty as a transportation platoon leader in Vietnam from 1967 to 1968, he served as an operations and training officer at Headquarters, First United States Army. In 1970 he was assigned to the Army Tropic Test Center in Panama, where he served as the chief of test support and as the logistics management officer, culminating his active service in 1972. He continued his service in the U.S. Army Reserve as a military instructor until 1975,

when he joined the Pennsylvania Army National Guard's 28th Infantry Division. His assignments included assistant operations officer, 2nd Battalion, 109th Infantry; executive officer, 1st Battalion (Mechanized), 109th Infantry, operations officer and later executive officer, 55th Brigade. In 1986, he was assigned as the operations officer, 28th Infantry Division. He was assigned as the Division Chief of Staff and as the Deputy Commanding General for Maneuver prior to assuming Command of the 28th Infantry Division.

## BRIGADIER GENERAL GARY M. PROFIT

### Deputy Chief, Army Reserve

Brigadier General Gary M Profit was commissioned a Second Lieutenant in 1974 through the Reserve Officers' Training Corps at Eastern Michigan University, Ypsilanti, Michigan.

In over 29 years of U.S. Army Reserve service, including more than 20 years on active duty, BG Profit has held assignments as Battery Executive Officer and Battery Commander, Battery C, 4<sup>th</sup> Battalion, 20<sup>th</sup> Field Artillery, Pontiac, Michigan; Fire Direction Officer and S3, 4<sup>th</sup> Battalion, 20<sup>th</sup> Field Artillery, Lansing, Michigan; Field Artillery Personnel Management Officer, 2<sup>nd</sup> and 3<sup>rd</sup> Continental U.S. Army Support Officer, and Headquarters Company Commander, U.S. Army Reserve Personnel Center; Personnel Staff Officer, Office of Program Analysis and Evaluation, Plans Officer, Command and Control Coordination Office, and Staff Support Officer, Office of Programs and Liaison, in the Office of the Chief, Army Reserve; Project VANGUARD in the Office of the Chief of Staff, Army; Congressional Staff Officer, Office of the Chief, Legislative Liaison, in the Office of the Secretary of the Army; Reserve Component Advisor, Special Operations Command South, in the Republic of Panama; Commander, 9602<sup>nd</sup> (Command and Control) Headquarters Brigade, and Commander, 651<sup>st</sup> Area Support Group, Denver, Colorado; and the Director, Public Affairs and Liaison Directorate, and Director, Chief Army Reserve Staff Group, in the Office of the Chief, Army Reserve. Brigadier General Profit is currently the Deputy Chief, Army Reserve. BG Profit is a Life Member of the Reserve Officers' Association and a member of the Association of the U.S. Army and Senior Army Reserve Commanders' Association.



A Michigan native, BG Profit graduated from Ypsilanti High School, Ypsilanti, Michigan; received a Bachelor of Science degree in Economics from Eastern Michigan University, Ypsilanti, Michigan; and earned a Master of Business Administration from The University of Michigan, Ann Arbor, Michigan, and a Master of Science in National Security and Strategic Studies from the College of Naval Warfare, Naval War College, Newport, Rhode Island. He is a graduate of the Field Artillery Officer Basic and Advanced Courses, the Command and General Staff Officer Course (Reserve Component), and the College of Naval Warfare, Naval War College. BG Profit was promoted to his current rank on 1 May 2003.

BG Profit's military awards and decorations include: the Legion of Merit; the Defense Meritorious Service Medal; the Meritorious Service Medal with three oak leaf clusters; the Joint Service Commendation Medal; the Army Commendation Medal with two oak leaf clusters; the Joint Service Achievement Medal; the Army Achievement Medal; the Army Reserve Components Achievement Medal; the National Defense Service Medal; the Armed Forces Reserve Medal with hour glass; the Army Service Ribbon; the Overseas Ribbon; the Army Reserve Components Overseas Training Ribbon; the Army Staff Identification Badge; and the Parachutist Badge.

BG Profit is married to the former Patricia Marie Hoobler. They have two children, Kevin (28) and Laura (25).

## INTRODUCTION

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you to discuss the Army's Military Construction budget request for Fiscal Year 2005. This request includes initiatives of critical importance to the Army and this committee, and we appreciate the opportunity to report on them to you. We would like to begin by expressing our appreciation for the tremendous support that the Congress has provided to our Soldiers and their families who are serving our country around the world. We are a Nation and an Army at war, and our Soldiers would not be able to perform their missions so well without your support.

## OVERVIEW

The Army has begun one of the most significant periods of transformation in its 228-year history. We are "An Army at War – Relevant and Ready." This maxim will define how we meet the Nation's military requirements today and into the future. As we are fighting the Global War on Terrorism, we are simultaneously transforming to be a more relevant and ready Army. We are on the road to a transformation that will allow us to continue to dominate conventional battlefields and provide the ability to deter and defeat adversaries who rely on surprise, deception, and asymmetric warfare to achieve their objectives. To accomplish our objective, our operational force will temporarily increase by 30,000 soldiers. We currently have almost 250,000 soldiers mobilizing and demobilizing, deploying and redeploying – more troops are coming and going on our installations than in any era since World War II. Military Construction is an important tool to our network of installations to meet our challenging requirements.

As part of this transformation, the Army is fielding and equipping six Stryker Brigade Combat Teams (SBCT) to meet Combatant Commanders' requirements and to continue the Army's commitment to the Global War



on Terrorism. These SBCTs allow the Army to continue modernizing and transforming the Current Force. The rapid development and fielding of six SBCTs is leading the transformation of the Army – physically and culturally.

To meet the challenges of today's missions, the Army must sustain a force of high quality, well-trained people; acquire and maintain the right mix of weapons and equipment; and maintain effective infrastructure and deployment platforms to generate the capabilities necessary to sustain a lethal force. We must ensure that a trained and qualified force will be in place to support the Future Force of a transformed Army. To meet that goal and ensure continued readiness, we must take care of Soldiers and families. Our installations are a key component in this effort.

#### INSTALLATIONS AS FLAGSHIPS

The Army recently identified 17 Army Focus Areas to channel our efforts to win the Global War on Terrorism and to increase the relevance and readiness of the Army. One of the Focus Areas – Installations as Flagships – enhances the ability of an Army installation to project power and support families. Our installations support an expeditionary force where Soldiers train, mobilize, and deploy to fight and are sustained as they reach back for support. Soldiers and their families who live on and off the installation deserve the same quality of life as is afforded the society they are pledged to defend. Installations are a key component in the tenets of the Army Vision. Our worldwide installations structure is inextricably linked to Army transformation and the successful fielding of the Future Force.

#### INSTALLATION STRATEGIES

There is much work to be done if all installations are to be flagships with the ability to both project power and support families to an equitable standard. We are a world-class combat ready force being supported by

substandard facilities that impair our ability to meet the mission. To improve our facilities posture, we have specific initiatives to focus our resources on the most important areas – Barracks, Family Housing, Focused Facilities, Ranges, and Transformation.

*Barracks.* The Army is in the 11th year of its campaign to modernize barracks to provide 136,000 single enlisted permanent party Soldiers with quality living environments. This year's budget request includes 19 barracks projects providing new or improved housing for 4,200 Soldiers. The new complexes provide two-soldier suites, increased personal privacy, larger rooms, walk-in closets, new furnishings, adequate parking, landscaping, and unit administrative offices separated from the barracks. With the approval of \$700.4 million for barracks in this request, a significant portion of our requirement will be funded. We are making considerable progress at U.S. installations and the Army funded two barracks projects for Grafenwoehr, Germany, based upon the Combatant Commander's request.

*Family Housing.* This year's budget continues our significant investment in our Soldiers and their families by supporting our goal to have funding in place by 2007 to eliminate inadequate housing. We have included funding in this year's budget request to privatize 11,906 houses. In addition we will replace 1,313 houses, build 100 new houses to support Stryker Brigade Combat Team deployment, and upgrade another 875 houses using traditional Military Construction. For families living off-post, the budget request for military personnel increases the basic allowance for housing to eliminate out of pocket expenses. Once overseas basing decisions are made, we will adjust our plans for new housing construction overseas.

*Focused Facilities.* Building on the successes of our housing and barracks programs, we are moving to improve the overall condition of Army infrastructure with the Focused Facility Strategy. The Installation

Readiness Report is used to determine facilities quality ratings of C-1 to C-4 based on their ability to support mission requirements.

Installation Readiness Report – Facilities Quality Ratings

C-1 facilities fully support mission accomplishment

C-2 facilities support the majority of assigned missions

C-3 facilities impair mission performance

C-4 facilities significantly impair mission performance

We are a C-1 Army living and working in C-3 facilities. Our goal is to reach an overall Army average of C-2 quality by 2010 by concentrating on seven types of C-3 and C-4 facilities. These focus facilities are general instruction buildings, Army National Guard Readiness Centers, Army Reserve Centers, tactical vehicle maintenance shops, training barracks, physical fitness centers, and chapels. We are requesting \$207 million in Fiscal Year 2005 to support this initiative.

*Army Range and Training Land Strategy.* Providing ranges and training lands that enable the Army to train and develop its full capabilities is key to ensuring that America's forces are relevant and ready now. The Army's Deputy Chief of Staff G-3 developed the Army Range and Training Land Strategy to support the Department of Defense's Training Transformation, Army Transformation, and the Army's Sustainable Range Program. It identifies priorities for installations requiring resources to modernize ranges, mitigate encroachment, and acquire training land. The strategy serves as the mechanism to prioritize investments for these installations and seeks to optimize the use of all range and land assets. The result is a long-range plan that provides the best range infrastructure and training lands based on mission and training requirements.

*Current to Future Force.* The Army is undergoing the biggest internal restructuring in the last 50 years. As part of this transformation effort, we are fielding and equipping six Stryker Brigade Combat Teams throughout the Army. This transformation will drive our efforts to ensure



that our "training battlefields" continue to meet the demands of force structure, weapons systems, and doctrinal requirements. Providing ranges and training lands that enable the Army to train and develop its full capabilities is crucial to ensure that America's forces are relevant and ready now. Our Fiscal Year 2005 Military Construction budget requests \$305 million for projects for operations and training facilities, training ranges, maintenance facilities, logistics facilities, utilities, and road upgrades in support of the Stryker Brigade Combat Teams.

The former Army Strategic Mobility Program ended in Fiscal Year 2003 with the capability of moving five and one-third divisions in 75 days. We must improve current processes and platforms so intact units arrive in theater in an immediately employable configuration.

The new Army Power Projection Program (AP3) is a combat multiplier for Army transformation and a catalyst for joint and Service transformation efforts related to force projection. AP3 is a set of initiatives and strategic mobility enabling systems, including infrastructure projects, that ensures we are able to meet Current and Future Force deployment requirements. AP3 funding began in Fiscal Year 2004. AP3 ensures the capability to deploy Army forces in accordance with Regional Combatant Commanders' operational plans.

### MILITARY CONSTRUCTION

The Army's Fiscal Year 2005 request has increased over Fiscal Year 2004 and includes \$3.7 billion for Military Construction appropriations and associated new authorizations.

Military Construction Appropriation	Authorization Request	Authorization of Appropriation Request	Appropriation Request
Military Construction Army (MCA)	\$1,535,400,000	\$1,771,285,000	\$1,771,285,000
Military Construction Army National Guard (MCNG)	N/A	\$265,657,000	\$265,657,000
Military Construction Army Reserve (MCAR)	N/A	\$87,070,000	\$87,070,000
Army Family Housing (AFH)	\$636,099,000	\$1,565,006,000	\$1,565,006,000
<b>TOTAL</b>	<b>\$2,171,499,000</b>	<b>\$3,689,018,000</b>	<b>\$3,689,018,000</b>

## MILITARY CONSTRUCTION, ARMY (MCA)

The active Army's Fiscal Year 2005 Military Construction request for \$1,771,285,000 (for appropriation and authorization of appropriations) and \$1,535,400,000 (for authorization) is for People, Current Readiness, and Transformation to the Future Force. These funds are critically needed to provide new barracks, invest in training ranges and land, recapitalize existing facilities, and support three Active Army Stryker Brigade Combat Teams in Alaska, Hawaii, and Louisiana. The request also includes funds for planning and design for future projects, along with Unspecified Minor Military Construction.

The Department of Defense continues to assess its global stationing strategy. We have included only minimal, but critical, overseas projects in the Fiscal Year 2005 Military Construction budget request. These projects are required to provide the infrastructure necessary to ensure continued Soldier readiness and family well-being that is essential throughout any period of transition.

*People.* We are requesting \$798 million to improve the well-being of our Soldiers, civilians, and families. Approximately 50 percent of our MCA budget request will improve well being in significant ways – providing 19 unit barracks complexes for 4,200 Soldiers (\$700 million), a basic trainee barracks complex (\$50 million), a physical fitness center (\$18 million), a chapel (\$10 million), two child development centers and a youth center (\$20 million).

*Current Readiness.* Our budget request includes \$504 million to keep our Soldiers trained and ready to respond to the Nation's needs. Current readiness projects include operational and training instructional facilities (\$92 million), training ranges (\$122 million), logistics facilities (\$31 million), utilities and land acquisition (\$27 million), maintenance/production and tactical equipment facilities (\$82 million), communication/

administration facilities (\$104 million), a research and development facility (\$33 million), and community support facilities (\$13 million).

*Current to Future Force.* Our budget request also includes \$298 million for projects to ensure the Army is trained, deployable, and ready to rapidly respond to national security requirements and support transformation for the Stryker Brigade Combat Teams. Projects include operations and training facilities (\$63 million), training ranges (\$79 million), a maintenance facility (\$49 million), logistics facilities (\$19 million), and utilities and roads (\$88 million).

*Other Worldwide Support Programs.* The Fiscal Year 2005 MCA request includes \$171 million for planning and design, along with Unspecified Minor Military Construction. Planning and design funds (\$151 million) are used to accomplish final design of future projects and oversight of host nation construction. As Executive Agent for the Department of Defense, the Army uses planning and design funds for oversight of construction projects funded by host nations for use by all Services. Finally, the Fiscal Year 2005 MCA budget contains \$20 million for Unspecified Minor Military Construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

### **MILITARY CONSTRUCTION, ARMY NATIONAL GUARD (MCNG)**

The Army National Guard's Fiscal Year 2005 Military Construction request for \$265,657,000 (for appropriation and authorization of appropriations) is focused on Current Readiness and transformation to the Future Force.

*Current Readiness.* In Fiscal Year 2005, the Army National Guard has requested \$116.1 million for nine projects. These funds will provide the facilities our Soldiers need as they train, mobilize, and deploy. They



include one Readiness Center, one Armed Forces Reserve Center, three Army Aviation Support Facilities, two Ranges, and two Training projects.

*Current to Future Force.* This year, the Army National Guard is requesting \$114.2 million for 22 projects needed to transform from Current to Future Force. There are 16 projects for the Army Division Redesign Study, two for Aviation Transformation, two for the Range Modernization Program, and two for the Stryker Brigade Combat Team initiative.

*Other Worldwide Support Programs.* The Fiscal Year 2005 MCNG budget request contains \$30.8 million for planning and design of future projects, along with \$4.5 million for Unspecified Minor Military Construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

#### **MILITARY CONSTRUCTION, ARMY RESERVE (MCAR)**

The Army Reserve's Fiscal Year 2005 Military Construction request for \$87,070,000 (for appropriation and authorization of appropriations) is for current readiness and other worldwide unspecified programs.

*Current Readiness.* The Army Reserve will invest \$72.9 million in current readiness projects. We will invest \$58.6 million to construct four new Reserve Centers, and one military equipment park; invest \$7.9 million to modernize and expand one Reserve Center, invest \$3.9 million to construct two ranges; and invest \$2.5 million to acquire land for a future Armed Forces Reserve Center.

*Other Worldwide Unspecified Programs.* The Fiscal Year 2005 MCAR budget includes \$11.2 million for planning and design. The funds will be used for planning and design of future projects. The Fiscal Year 2005 MCAR budget also contains \$2.9 million for Unspecified Minor

Military Construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

### **ARMY FAMILY HOUSING CONSTRUCTION (AFHC)**

The Army's Fiscal Year 2005 family housing request is \$636,099,000 (for appropriation, authorization of appropriation, and authorization). It continues the successful and well-received Whole Neighborhood Revitalization initiative approved by Congress in Fiscal Year 1992 and supported consistently since that time, and our Residential Communities Initiative program.

The Fiscal Year 2005 new construction program provides additional housing in Alaska in support of a Stryker Brigade Combat Team and Whole Neighborhood replacement projects at nine locations in support of 1,413 families for \$394.9 million.

The Construction Improvements Program is an integral part of our housing revitalization and privatization programs. In Fiscal Year 2005, we are requesting \$75.4 million for improvements to 875 existing units at three locations in the United States and two locations in Europe, as well as \$136.6 million for scoring and direct investment in support of privatization of 11,906 units at six Residential Communities Initiative (RCI) locations.

In Fiscal Year 2005, we are also requesting \$29.2 million for planning and design in support of future family housing construction projects critically needed for our Soldiers.

*Privatization.* RCI, the Army's Family Housing privatization program, is providing quality, sustainable housing and communities that our Soldiers and their families can proudly call home. RCI is a critical component of the Army's effort to eliminate inadequate family housing in

the United States. The Fiscal Year 2005 budget request provides support to continue implementation of this highly successful program.

We are leveraging appropriated funds and Government assets by entering into long-term partnerships with nationally recognized private sector real estate development and management firms to obtain financing and management expertise to construct, repair, maintain, and operate family housing communities.

The RCI program currently includes 34 installations with almost 71,000 housing units – over 80 percent of the family housing inventory in the United States. By the end of Fiscal Year 2004, the Army will have privatized 19 installations with an end state of 42,000 homes.

### **ARMY FAMILY HOUSING OPERATIONS (AFHO)**

The Army's Fiscal Year 2005 family housing operations request is \$928,900,000 (for appropriation and authorization of appropriations), which is approximately 59 percent of the total family housing budget. This budget provides for annual operations, municipal-type services, furnishings, maintenance and repair, utilities, leased family housing, demolition of surplus or uneconomical housing, and funds supporting management of the Military Housing Privatization Initiative.

*Operations (\$150 million).* The operations account includes four sub-accounts: management, services, furnishings, and a small miscellaneous account. All operations sub-accounts are considered "must pay accounts" based on actual bills that must be paid to manage and operate family housing.

*Utilities (\$132 million).* The utilities account includes the costs of heat, air conditioning, electricity, water, and sewage for family housing units. While the overall size of the utilities account is decreasing with the



reduction in supported inventory, per-unit costs have increased due to general inflation and the increased costs of fuel.

*Maintenance and Repair (\$402 million).* The maintenance and repair account supports annual recurring maintenance and major maintenance and repair projects to maintain and revitalize family housing real property assets. While the overall account is smaller than Fiscal Year 2004, the reduced inventory allows for greater per-unit funding than has been possible in the recent past. This allows us to better sustain our housing inventory.

*Leasing (\$218 million).* The leasing program provides another way of adequately housing our military families. The Fiscal Year 2005 request includes funding for over 13,600 housing units, including existing Section 2835 ("build-to-lease" – formerly known as 801 leases) project requirements, temporary domestic leases in the United States, and approximately 7,700 units overseas.

*RCI Management (\$27 million).* The RCI management program funding includes procurement requirements, environmental studies, real estate requirements, management, operations, implementation, and oversight of the overall RCI program.

### **BASE REALIGNMENT AND CLOSURE (BRAC)**

In 1988, Congress established the Defense Base Closure and Realignment Commission to ensure a timely, independent and fair process for closing and realigning military installations. Since then, the Department of Defense has successfully executed four rounds of base closures to rid the Department of excess infrastructure and align the military's base infrastructure to a reduced threat and force structure. Through this effort, the Army estimates approximately \$9 billion in savings through 2004.

The Army is requesting \$100.3 million in Fiscal Year 2005 for prior BRAC rounds (\$8.3 million to fund caretaking operations of remaining properties and \$92.0 million for environmental restoration). In Fiscal Year 2005, the Army will complete environmental restoration efforts at three installations, leaving 11 installations requiring environmental restoration. We also plan to dispose of an additional 8,000 acres in Fiscal Year 2005.

Fiscal Year 2003 was a superb year! Using all the tools the Congress provided, including the Conservation Conveyance Authority and Early Transfer Authority, the Army transferred 100,957 acres of BRAC property. This is almost 40 percent of the total Army BRAC excess acreage, and almost as many acres as all prior years combined. To date, the Army has disposed of 223,911 acres (85 percent of the total acreage disposal requirement of 262,705 acres). We have 38,794 acres remaining to dispose of at 28 installations. The Army continues to save more than \$900 million annually from previous BRAC rounds.

### **OPERATION AND MAINTENANCE**

The Fiscal Year 2005 Operation and Maintenance budget includes funding for Sustainment, Restoration, and Modernization (SRM – \$2.54 billion) and Base Operations Support (BOS – \$6.57 billion). The SRM and BOS accounts are inextricably linked with our Military Construction programs to successfully support Installations as Flagships.

*Sustainment, Restoration, and Modernization (SRM).* The Fiscal Year 2005 budget for SRM is \$2.5 billion, of which \$2.42 billion funds sustainment at 95 percent of the requirement. SRM provides funding for the Active and Reserve Components to continue making positive progress towards our goal to prevent deterioration and obsolescence and restore the lost readiness of facilities.

Sustainment is the primary account in installation base support funding responsible for maintaining the infrastructure to achieve a

successful readiness posture for the Army's fighting force. It is the first step in our long-term facilities strategy. Installation facilities are the deployment platforms of America's Army and must be properly maintained to be ready to support current Army missions and any future deployments.

The second step in our long-term facilities strategy is the recapitalization by restoring and modernizing our existing facility assets. In Fiscal Year 2005, the Active Army request for Restoration and Modernization is \$93.2 million. Restoration includes repair and restoration of facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration or modernization of facilities solely to implement new or higher standards, including regulatory changes, to accommodate new functions, or to replace building components that typically last more than 50 years, such as foundations and structural members.

*Base Operations Support.* The Fiscal Year 2005 budget for Base Operations Support is \$6.57 billion (Active Army, Army National Guard, Army Reserve). This is 70 percent of the requirement. This funds programs to operate the bases, installations, camps, posts, and stations of the Army worldwide. The program includes municipal services, family programs, environmental programs, force protection, audio/visual, base communication services and installation support contracts. Army Community Service and Reserve Component family programs include a network of integrated support service that directly impact Soldier readiness, retention, and spouse adaptability to military life during peacetime and through all phases of mobilization, deployment, and demobilization.

#### **HOMEOWNERS ASSISTANCE FUND, DEFENSE**

The Army is the Department of Defense Executive Agent for the Homeowners Assistance Program. This program provides assistance to



homeowners by reducing their losses incident to the disposal of their homes when military installations at or near where they are serving or employed are ordered to be closed or the scope of operations reduced. For Fiscal Year 2005, there is no request for appropriations and authorization of appropriations. Requirements for the program will be funded from prior year carryover and revenue from sales of homes. Assistance will be continued for personnel at ten installations that are impacted with either a base closure or a realignment of personnel, resulting in adverse economic effects on local communities.

### **SUMMARY**

Mr. Chairman, our Fiscal Year 2005 budget is a balanced program that supports our Soldiers and their families, the Global War on Terrorism, transformation to the Future Force, and current readiness.

We are proud to present this budget for your consideration because of what this \$3.7 billion Fiscal Year 2005 request will provide for the Army:

- New barracks for 4,200 Soldiers
- Adequate housing for 14,200 families
- Increase in Army National Guard and Army Reserve funding over Fiscal Year 2004
- New Readiness Centers for over 3,000 Army National Guard Soldiers
- New Reserve Centers for over 2,800 Army Reserve Soldiers
- 80-year recapitalization rate for the Army
- \$287 million investment in training ranges
- A new Basic Combat Training Complex
- Facilities support for four new Stryker Brigades

Our long-term strategies for Installations as Flagships will be accomplished through sustained and balanced funding, and with your support, we will continue to improve Soldier and family quality of life, while remaining focused on the Army's transformation to the Future Force.

In closing, we would like to thank you again for the opportunity to appear before you today and for your continued support for our Army. This concludes my statement. Thank you.

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE HOUSE  
ARMED SERVICES COMMITTEE

STATEMENT OF  
H. T. JOHNSON  
ASSISTANT SECRETARY OF THE NAVY  
(INSTALLATIONS AND ENVIRONMENT)  
BEFORE THE  
SUBCOMMITTEE ON READINESS  
OF THE  
HOUSE ARMED SERVICES COMMITTEE

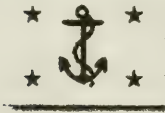
04 MARCH 2004

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RELEASED BY THE HOUSE  
ARMED SERVICES COMMITTEE



United States Navy: Assistant Secretary of the Navy (Installations and Environment)

*The United States Navy*



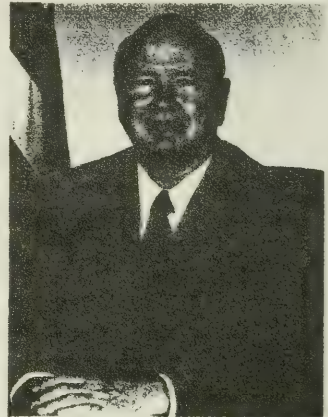
## Assistant Secretary of the Navy (Installations and Environment) Hansford T. Johnson

Hansford T. (H.T.) Johnson  
Assistant Secretary of the Navy (Installations and Environment)  
1000 Navy Pentagon  
Washington, D.C. 20350-1000

The Honorable Hansford T. (HT) Johnson was nominated on August 3, 2001, by President George W. Bush to serve as the Assistant Secretary of the Navy (Installations and Environment) and was sworn in on August 7, 2001.

On February 7, 2003, President Bush designated him to assume the duties as the Acting Secretary of the Navy when then Secretary of the Navy, Gordon England, left to assumed duties as Deputy Secretary at the Department of Homeland Security.

On October 1, 2003, HT returned to his position as Assistant Secretary of the Navy, following the return of Mr. England to the Department of the Navy.



As Acting Secretary of the Navy, HT led the Navy and Marine Corps Team during *Operation Iraqi Freedom*, continuing operations in Afghanistan, as well as operations in Liberia and elsewhere around the globe. As units returned from *OIF*, he oversaw restructuring of the Navy from traditional deployments to the Fleet Response Plan and the first deployment of the revolutionary Expeditionary Strike Group concept. He managed the Navy Department's budget of \$110 billion and more than 800,000 personnel.

As Assistant Secretary of the Navy (Installations and Environment), HT is responsible to the Secretary of the Navy for the formulation of Department-wide policies and procedures, and for overseeing all DoN functions and programs relating to infrastructure, safety and the environment.

Prior to his nomination to serve in the Bush-Cheney administration, Mr. Johnson served as President and CEO of EG&G Technical Service and later of EG&G when purchased by The Carlyle Group. He also served as Executive Vice President and Chief Operating Officer of the Credit Union National Association in Madison, Wisconsin.

Previously, HT joined USAA Capital Corporation, part of one of the largest and most successful financial services organizations in America. He was responsible for providing non-insurance services to USAA members through the USAA Federal Savings Bank (selected as the best bank in America by Money Magazine), the USAA Investment Management Company, the USAA Real Estate Company, and USAA Buying Service. These companies managed \$13 billion in USAA insurance portfolios, over \$16 billion in mutual funds, a \$10 billion bank, and \$1 billion in real estate holdings. While at USAA,

United States Navy: Assistant Secretary of the Navy (Installations and Environment)

President George H. W. Bush appointed him to the 1993 Base Realignment and Closure Commission. When Kelly AFB was selected for closure in 1995, he chaired the redevelopment group.

A native of Aiken, S.C., he was the outstanding graduate in thermodynamics and aeronautics in the first class (1959) of the U.S. Air Force Academy. In 1989, he became the first graduate of the Air Force Academy to be promoted to General (four stars). HT also earned a Master's Degree in Aeronautics from Stanford and an MBA from Colorado. He furthered his military education at the U.S. Army Command and General Staff College, the National War College, and Advance Management Program at Dartmouth.

His early military service included a tour as a forward air controller in Viet Nam where he flew 423 combat missions followed by service as an assistant professor of Aeronautics at the Air Force Academy. After serving in Air Force Plans, he joined the Strategic Air Command and served as a Wing Commander and in SAC Plans.

From 1982 to 1985, he led the team that successfully rebalanced the Air Force programs in the \$100 billion annual Air Force Budget.

In 1985-6, he led Strategic Air Command operations and directed the refueling and strategic reconnaissance forces during the bombing of Libya. He then became the Vice Commander in Chief of the Pacific Air Force.

In late 1987, he became the Deputy Commander in Chief of the Central Command during *Earnest Will*, the U.S. reflagging of Kuwaiti oil tankers and escort operations in the Persian Gulf. Following his tour in Central Command, HT served the Chairman of the Joint Chiefs of Staff as director of the Joint Staff.

As Commander in Chief of the U.S. Transportation and the Military Airlift Commands, HT worked directly for Secretary of Defense, Dick Cheney and Chairman of the Joint Chiefs, Colin Powell in leading all transportation components of the U.S. military. His Air Force command provided all airlift and special operations forces for the extremely effective Just Cause invasion of Panama. From 1990 to 1991, his commands led all military and commercial aspects of the Desert Shield/Storm movement of troops, equipment, and supplies to and from the Persian Gulf - the most concentrated movement in American military history.

*Updated: 1 October 2003*

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## REAR ADMIRAL CHRISTOPHER E. WEAVER



Rear Admiral Christopher Weaver was born 4 July 1949 in Harrisonville, Missouri. He graduated from the U.S. Naval Academy with the Class of 1971. He holds a Bachelor of Science degree from the Naval Academy and a Master of Public Administration degree from the George Washington University. He is also a distinguished graduate of the Industrial College of the Armed Forces.

Rear Admiral Weaver was designated a Surface Warfare Officer in 1973. His sea tours include duty aboard USS MARVIN SHIELDS (DE 1066), USS CAPODANNO (FF 1093), USS BOULDER (LST 1190) and USS SAMUEL ELIOT MORISON (FFG 13). He has commanded USS EXULTANT (MSO 441) and USS SPRUANCE (DD 963).

Ashore, Rear Admiral Weaver has served as an Assignment Officer in the Bureau of Naval Personnel, as Head of the Seamanship and Navigation Department at the U.S. Naval Academy, as Head of the Surface Combatant Branch of the Surface Warfare Division (OP-03), and as Head of the Mine Warfare Branch of the Expeditionary Warfare Division (N85). Rear Admiral Weaver commanded U.S. Naval Station, Norfolk, Virginia immediately prior to assuming his assignment as Executive Officer to the Director for Logistics (J4), The Joint Staff. He was selected for Flag rank in February 1997. Rear Admiral Weaver served as the 83<sup>rd</sup> Commandant of Naval District Washington, the oldest continuously operated Navy installation in the nation. Rear Admiral Weaver is currently serving as Commander, Navy Installations (CNI) and Director, Ashore Readiness Division (OPNAV N46).

Rear Admiral Weaver's personal decorations include the Defense Superior Service Medal, Legion of Merit, Meritorious Service Medal, Navy Commendation, National Defense Medal, Armed Forces Expeditionary Medal, Vietnam Campaign and Service Medals, Southwest Asia Service Medal and the Combat Action Ribbon.

Rear Admiral Weaver is an Honorary Seabee and Honorary Master Chief Petty Officer.

Rear Admiral Weaver is married to the former Christine Diane Gilmore of Canton, Ohio. They have three children, Katherine, Carolyn and John.



## Brigadier General

Willie J. Williams

Assistant Deputy Commandant Installations and Logistics (Facilities)

Brigadier General Willie J. Williams is currently the Assistant Deputy Commandant, Installations and Logistics (Facilities), Headquarters, U.S. Marine Corps, reporting on board during October 2003.

Brigadier General Williams holds a Bachelor of Arts Degree (Business Administration) from Stillman College, Tuscaloosa, Alabama, a Master of Arts Degree (Business Administration) from National University, San Diego, California and a Master of Science Degree (Strategic Resources Management) from the Industrial College of the Armed Forces, National Defense University.



Brigadier General Williams was commissioned in the Marine Corps in May 1974. He began his career with the 11th Marine Artillery Regiment in May 1975, serving first as Supply Officer for the 3rd Battalion, and later as the Regimental Supply Officer/Assistant S4 Officer. In October 1977, he was ordered to the 3rd Force Service Support Group as the Officer-In-Charge, Inventory Control Point, Iwakuni, Japan. After his one-year tour in Iwakuni, he returned to the U.S. for duty at Marine Barracks, North Island, San Diego, California as the Ship's Detachment Supply Officer, Pacific Ocean Area/Marine Barracks Supply Officer and as the Barracks Executive Officer. In June 1982, he reported to Quantico, Virginia for duty as Platoon Commander, Officer Candidate School and later attended the Amphibious Warfare School.

In May 1983, he became the Supply Officer, Mountain Warfare Training Center, Bridgeport, California. From August 1985 to June 1989 he served as the Assistant Division Supply Officer, 3rd Marine Division, Okinawa Japan, prior to attending the Armed Forces Staff College. While serving with the 3rd Marine Division, Brigadier General Williams stood duty as the Logistics Officer, Contingency Marine Air Ground Task Force 3-88 during its Persian Gulf Deployment from May to December 1988.

After completing Armed Forces Staff College, he was assigned to joint duty with the Department of Defense Inspector General's Office in January 1990. During 1993 he attended the Industrial College of the Armed Forces. Following graduation, he reported to the 31st Marine Expeditionary Unit (Special Operations Capable) to assume the duties as the Commanding Officer of the MEU Service Support Group from September 1994 to September 1996. Brigadier General Williams subsequently served as the Assistant Chief of Staff G4, 3rd Force Service Support Group prior to departing from Okinawa. Brigadier General Williams was then transferred to the 1st Force Service Support Group in June 1997 for duty as the Assistant Chief of Staff, G3. Then in 1998 he assumed the duties as the Commanding Officer of Brigade Service Support Group 1. Upon returning to Okinawa during July 2000 to June 2001, Brigadier General Williams assumed the duties of Commanding General, Marine Corps Base, Camp Smedley D. Butler, Okinawa, Japan. From June 2001 to September 2003, Brigadier General Williams was assigned as the Commanding General, 3d Force Service Support Group, Marine Corps Base, Camp Smedley D. Butler, Okinawa, Japan.

Brigadier General Williams' personal awards and decorations include the Legion of Merit with gold star in lieu of second award, the Defense Meritorious Service Medal, the Navy and Marine Corps Commendation Medal, the Navy and Marine Corps Achievement Medal, the Armed Forces Expeditionary Medal, the Humanitarian Service Medal, the National Defense Service Medal and the Department of Defense Service Badge.

*(Updated October 1, 2003 HQMC)*

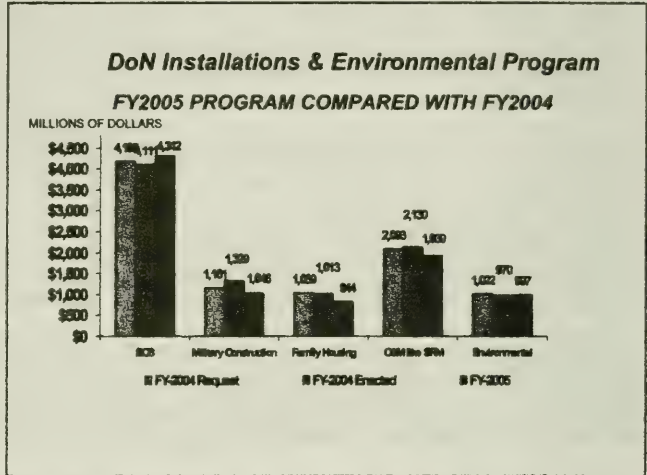
Mr. Chairman and members of the Committee, I am H.T. Johnson, Assistant Secretary of the Navy (Installations and Environment). It is a pleasure to appear before you today to provide an overview of the Department of the Navy's shore infrastructure and environmental programs.

### FY-2005 Budget Overview

Projecting power and influence from the sea is the enduring and unique contribution of the Navy and Marine Corps to national security. The Department of Navy (DoN) FY-2005 budget request of \$119.4 billion (\$1.4 billion below the FY-2004 enacted level of \$120.8 billion) balances risks across

operational,  
institutional,  
force  
management and  
future challenges  
identified by the  
Secretary of  
Defense.

The Navy  
and Marine  
Corps  
installations and  
environmental  
programs total  
\$9.1 billion in FY-  
2005, or about



eight percent of the DoN budget. That our portion of the DoN budget is declining bears witness to the successes we have had in the last few years managing costs and pursuing innovative solutions to long-term problems. We continue to meet all Department of Defense (DoD) and DoN installations and environmental goals. This budget provides funds to operate, recapitalize and transform our fleet assets and our shore installations.

Base Operations Support funds provide fundamental services such as utilities, fire and security, air operations, port operations, and custodial care that enable the daily operations of our bases. Our FY-2005 request of \$4.3 billion is about \$200 million above the FY-2004 enacted level of \$4.1 billion. This increase includes an \$83 million transfer of Navy Working Capital common support services to O&MN, \$44 million for Marine Corps military to civilian conversion costs, \$24 million for Marine Corps to transition to the Navy-Marine Corps Corporate Intranet, and \$24 million for the FY-2004 pay raise.

Our Military Construction request is a very robust \$1.1 billion. It keeps us on track to eliminate inadequate bachelor housing, and provides critical operational, training, and mission enhancement projects.

The Family Housing request of \$844 million provides funds to operate, maintain and revitalize the worldwide inventory of 36,600 units. Our Family Housing request declines because of increases in the military pay accounts for Basic Allowance for Housing, which makes finding affordable housing in the community more likely, and the success of our housing privatization efforts. Through privatization and future construction funds, both the Navy and Marine Corps achieve the DoD goal to eliminate inadequate homes by FY-2007.

Sustainment, Restoration and Modernization (SRM) includes military construction and Operations and Maintenance funds. To avoid double counting military construction, the funding shown in the chart includes only the Operations and Maintenance accounts. Facilities sustainment requirements are based on a DoD model. The budget achieves 95 percent of the model requirement for Navy and Marine Corps bases, an increase of two percent for the Navy above the FY-2004 request. While the FY-2005 recapitalization rates decline slightly for Navy and improve for Marine Corps, both the Navy and Marine Corps meet the DoD 67-year recapitalization rate goal by FY-2008.

Our FY-2005 request for environmental programs totals \$1.0 billion. This request is sufficient to meet all known environmental compliance and cleanup requirements, invest in pollution prevention, and fund cultural and natural resources conservation efforts, including implementation of Integrated Natural Resources Management Plans.

I will now discuss these areas in more detail.

## Housing

We have made a special effort in this budget to maintain progress in improving the quality of housing for our Sailors and Marines.

### Family Housing

Our family housing strategy consists of a prioritized triad:

- Reliance on the Private Sector. In accordance with longstanding DoD and DoN policy, we rely first on the local community to provide housing for our Sailors, Marines, and their families. Approximately three out of four Navy and Marine Corps families receive BAH and own or rent homes in the community. Our bases have housing referral offices to help newly arriving families find suitable homes in the community.



- **Public/Private Ventures (PPVs).** With support from the Congress, we have used statutory PPV authorities enacted in 1996 to partner with the private sector to use private sector capital. These authorities, which I like to think of in terms of public/private partnerships, allow us to leverage our own resources to provide better housing considerably faster to our families.
- **Military Construction.** Military construction will continue to be used where PPV authorities don't apply (such as overseas), or where a business case analysis shows that a PPV project is not financially sound.

#### FY-2004/2005 PPV HOMES

##### Navy

- o Hawaii: 1,948
- o Northeast: 4,210 \*
- o Northwest I: 2,705
- o Mid-Atlantic: 5,930
- o Great Lakes/Crane: 2,823
- o San Diego: 2,668

##### Marine Corps

- o Yuma/Camp Pendleton: 897
- o Lejeune: 3,516
- o Twentynine Palms: 1,382
- o Kansas City: 137

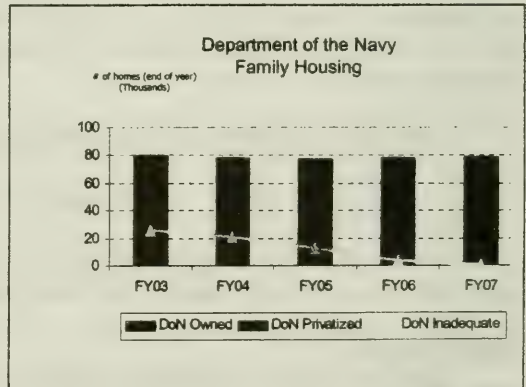
\* Scope being revised to retain 250 more units previously planned for divestiture at Mitchell Housing Complex in Long Island, NY

### The Importance of BAH

Higher BAH allowances help more Sailors and Marines and their families to find good, affordable housing in the community without additional out-of-pocket expenses. This reduces the need for military housing, allowing us to divest excess, inadequate homes from our inventory. Higher BAH also improves the income stream for PPV projects, making them more economically attractive to potential developers. The FY-2005 request completes a five-year DoD goal to increase BAH and eliminate average out-of-pocket expenses for housing.

### Eliminating Inadequate Homes

The DoN remains on track to eliminate its inadequate family housing units by FY-2007. We continue to pursue privatization at locations where it makes sense. We will eliminate almost three-quarters of our inadequate inventory through the use of public/private ventures. As of February 1, 2004, we have awarded 11 projects totaling over 16,000 units. We recently awarded a joint Army/Navy military housing project at Monterey, California that



includes 593 homes at the Naval Postgraduate School. During FY-2004 and FY-2005, we plan to award projects totaling over 26,200 homes at ten Navy and Marine Corps locations. This will allow us to improve our housing stock and provide more homes to Sailors, Marines and their families much faster than if we relied solely on traditional military construction. The Navy is now taking a regional approach to accelerate progress and improve the financial viability of its PPV projects.

There will still be a residual inventory of Government-owned housing after FY-2007 with a continuing need for family housing construction, operations, and maintenance funds. However these requirements will decline as family housing is privatized. We continue to review these requirements, particularly in the management sub-account, as we transition from ownership to privatization.

The single biggest challenge in our efforts to eliminate inadequate family housing by FY-2007 is the statutory "cap" on the amount of budget authority that can be used in military family housing privatization. DoD projects that the Services will reach the current cap of \$850 million in FY-2004, and that it will impede our ability to carry out our FY-2005 privatization effort. Military family housing privatization is a successful tool to provide quality, self-sustaining housing for Navy and Marine Corps families. It is important that we stay the course. We will continue to work with the Congress to ensure that our Sailors and Marines live in quality housing.

### **Bachelor Housing**

Our budget request of \$205 million for bachelor quarters construction continues our emphasis on improving living conditions for unaccompanied Sailors and Marines. There are three challenges:

1. Provide Homes Ashore for our Shipboard Sailors. There are approximately 17,500 Sailors worldwide who are required to live aboard ship while in homeport. Based upon actions taken by the Navy and funds provided by Congress through FY-2004, we have now given 4,900 Sailors a place ashore to call home. This is our most pressing housing issue. The Navy will achieve its "homeport ashore" initiative by FY-2008 by housing two members per room. Our FY-2005 budget includes one "homeport ashore" project at Naval Shipyard, Bremerton, Washington. By housing two members per room, this project will provide spaces for almost 800 shipboard Sailors.
2. Ensure our Barracks Meet Today's Standards for Privacy. We are continuing our efforts to construct new and modernize existing barracks to provide more privacy for our single Sailors and Marines. The Navy applies the "1+1" standard for permanent party barracks. Under this standard, each single junior Sailor has his or her own sleeping area and shares a bathroom and

common area with another member. To promote unit cohesion and team building, the Marine Corps was granted a waiver to adopt a "2+0" configuration where two junior Marines share a room with a bath. The Navy will achieve these barracks construction standards by FY-2013; the Marine Corps by FY-2012.

3. Eliminate gang heads. The Navy and Marine Corps remain on track to eliminate inadequate barracks with gang heads for permanent party personnel<sup>1</sup>. The Marine Corps will eliminate their permanent party barracks with gang heads the FY-2005 budget request; the Navy by FY-2007.

While we believe privatization will be as successful in accelerating improvements in living conditions for our single Sailors and Marines as it has been for families, it does present a different set of challenges. For years, we have built barracks to military rather than local community standards. For example, there were limits on room size, and no common area for occupants to prepare meals or to socialize. I want to thank the Congress for legislation last year to allow building privatized barracks to private sector standards.

We must now consider other unique aspects in privatizing bachelor housing: the impact of extended deployments on unit occupancy and storage requirements; their location outside the fence line of the base, or inside the fence line but on severable Government land; and sharing a unit by two or more members. We are confident that the Government can join with a private partner to fashion a solution to these concerns that preserve the viability of a project while protecting Government interests. We are developing pilot unaccompanied housing privatization projects for San Diego, CA; Hampton Roads, VA, Camp Pendleton, CA.

## Military Construction

### Military Construction Projects

Our FY-2005 military construction program requests appropriations of \$1.086 billion and authorization of \$1.045 billion. It includes \$406 million for 12 waterfront and airfield projects; \$205 million for eight bachelor housing projects; \$69 million for six force protection projects, and \$64 million for three environmental compliance projects. There is \$87 million for planning and design, and \$12 million for unspecified minor construction.

In aggregate, about 66 percent of the military construction request is for restoration and modernization projects. The remaining 34 percent is for new footprint projects that provide new capabilities, e.g., force protection, bachelor

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<sup>1</sup> Gang heads remain acceptable for recruits and trainees.



quarters, and facilities for new platforms. There are 5 projects totaling \$94 million at non-U.S. locations overseas – Rota, Spain; Andros Island, Bahamas; Diego Garcia; and two projects in Sigonella, Italy. The Naval Reserve construction program has four projects for a total of \$25 million.

Eleven projects totaling \$467 million in FY-2005 have construction schedules (including FY-04 continuing projects) exceeding one year and cost more than \$50 million, thus meeting the criteria for incremental funding. Five of these projects received full authorization in FY-2004 and are being continued or completed in FY-2005. We are requesting \$289 million appropriations and \$607 million in new authorization to start six incrementally funded projects in FY-2005.

#### **Outlying Landing Field, Washington County, North Carolina**

The new F/A-18E/F Super Hornet is replacing F-14 and older F/A-18C aircraft. The DoN prepared an Environmental Impact Statement that examined a range of alternatives for homebasing these new aircraft on the East Coast. A Record of Decision was signed in September 2003 to base eight tactical squadrons and a fleet replacement squadron at Naval Air Station Oceana, VA, and two tactical squadrons at Marine Corps Air Station Cherry Point, NC.

This homebasing decision requires a new Outlying Landing Field (OLF) to support fleet carrier landing practice (FCLP) training. The current site near Virginia Beach, VA is not as effective for night-time training due to ambient light sources, and lacks the capacity to handle a training surge such as experienced for the war on terrorism and Operation Iraqi Freedom. The Washington County site is about halfway between NAS Oceana and MCAS Cherry Point. We believe it is the best alternative from an operational perspective.

In FY-2004 the Congress provided authority to acquire approximately 3,000 acres for the core area of the OLF and to begin constructing the runway. We are now seeking authority to acquire a 30,000-acre buffer zone for noise, build a control tower, and erect fire and rescue facilities. We are asking for this authority over two years, with the first increment of \$61.8 million in FY-2005.

There is some local opposition to the OLF site we selected; two lawsuits challenge the sufficiency of the Department's Environmental Impact Statement. The Navy wants to be a good neighbor, and will consider the concerns of local property owners. For example, the Navy has committed that all land not required for actual OLF operations will be available for continued agricultural use. The Navy believes it has met all legal and regulatory requirements, and is proceeding with property acquisitions and construction planning.

## VXX

Marine Helicopter Squadron One (HMX-1), located at the Marine Corps Air Facility, Quantico, VA, now performs helicopter transportation for the President, Vice President and heads of state. Numerous modifications and improvements have limited the mission effectiveness of the current VH-3D and VH-60N helicopters. The planned acquisition of a replacement helicopter, called VXX, will improve transportation, communication, and security capabilities and integrate emerging technologies. The total acquisition cost is \$5.9 billion. Originally planned for an initial operating capability in 2013, the acquisition schedule has now been accelerated to December 2008.

The FY-2005 budget includes \$777 million in Research and Development for VXX system design and demonstration, and \$106 million in appropriations (\$166 million authorizations) for military construction to support VXX. Facilities are required to support the test and evaluation of three VXX scheduled for delivery in October 2006, to provide hangar space for the eventual full complement of 23 aircraft, and to provide in-service support for the life cycle of the aircraft.

The accelerated VXX acquisition schedule required us to make some judgments in the FY-2005 military construction program to ensure that facilities would be available in time to house the aircraft and the combined government/contractor support team. There is insufficient excess hangar capacity to house VXX at Naval Air Station Patuxent River, MD, where the Navy conducts most of its test and evaluation of new aircraft. Similarly, the 1935 era hangars at Quantico are inadequate to meet current HMX-1 needs.

However, before committing large sums to construct new facilities, we are studying whether there is excess capacity elsewhere in the National Capital Region that could be adapted to accommodate both the test and evaluation phase and the operational mission for VXX at lower cost than building new facilities at Patuxent and Quantico. In addition, the VXX program manager has a business case analysis underway to determine whether a government owned, contractor operated facility at Patuxent is the most cost effective solution for in-service support. As another variable, the Systems Development and Demonstration (SDD) and initial production solicitation released in December 2003 gives the vendor the option to use its own facilities. We plan to complete these studies, consider the vendors' proposal, and decide this spring on the most cost effective location for the facilities. This timeframe supports the current acquisition timeline. In the absence of specific locations, we labeled two VXX projects in our FY-2005 program under the title "Various Locations."

## FACILITIES

### Facilities Sustainment, Restoration and Modernization (SRM)

Sustainment -- The Department of Defense uses models to calculate life cycle facility maintenance and repair costs. These models use industry wide standard costs for various types of buildings. Sustainment funds in the Operations and Maintenance accounts maintain shore facilities and infrastructure in good working order and avoid premature degradation. The Navy and Marine Corps achieve 95 percent sustainment of the model requirements in FY-2005.

Sustainment dollars decreased by nine percent due to the removal of old facilities in our inventory as a result of our demolition program, and revised pricing assumptions.

SRM			
Navy			
	PB-03	FY-04	PB-05
Sustainment (%)	84%	93%	95%
Recap Rate (years)	116	140	148
Marine Corps			
	PB-03	FY-04	FY-05
Sustainment (%)	Full	97%	95%
Recap Rate (years)	156	88	78

Recapitalization -- Restoration and Modernization provides for the major recapitalization of our facilities using Military Construction and Operations and Maintenance funds. While both the Navy and Marine Corps achieve the Department of Defense goal of a 67-year recapitalization rate by FY-2008, the FY-2005 recap rate rises to 148 years for Navy while improving to 78 years for the Marine Corps. The Navy will manage its near term facilities investment to limit degradation of operational and quality of life facilities.

### Closure of Naval Station Roosevelt Roads, Puerto Rico

The Navy will close Naval Station Roosevelt Road by March 31, 2004, as directed by section 8132 of the FY-2004 Defense Appropriations Act. We have begun the required environmental reviews and the initial phases of the property disposal process. The Navy is taking great care in relocating military personnel and families, and assisting civilian employees with relocation and outplacement. The DoD school will remain open until the end of the school year.

As directed in the law, the closure and disposal is being carried out in accordance with the procedures contained in the Defense Base Closure and Realignment Act (BRAC) of 1990, as amended. The Navy is establishing Naval Activity Puerto Rico as a successor organization to maintain the property and preserve its value through disposal, which we expect to occur in late 2005. The Commonwealth has formed a Local Redevelopment Authority (LRA) that has begun land use planning for the property. The Navy and DoD Office of Economic Adjustment are coordinating with the LRA. We will ensure the needs of the military and civilian employees are met as we carry out this closure and property disposal.



### **Nebraska Avenue Complex**

At the request of the Department of Homeland Security (DHS), the Navy has agreed to relocate 10 Navy commands with 1,147 personnel from its Nebraska Avenue Complex (NAC) in Northwest Washington, D.C. The 556,000 square feet of office space will provide a headquarters facility for DHS personnel. DHS will pay for the Navy's first move, and if necessary, the first year's lease costs. As of the end of January 2004, seven Navy commands with 469 personnel had relocated. The Administration has requested authorizing legislation that would allow the remainder to move by January 2005. To meet this timeline, the requested legislation must be enacted by April 30, 2004. Several of the Navy commands will relocate to government-owned facilities, while others will move to leased spaces until we identify permanent government-owned facilities.

The requested legislation allows the Navy to transfer custody of the NAC property to the General Services Administration (GSA), who will manage the facilities for DHS. We will require a legislative waiver from Section 2909 of the Defense Base Closure and Realignment Act (BRAC), which specifies that bases many not be closed except through the BRAC process. The Navy will receive consideration for the fair market value of NAC in the FY-2006 budget process.

## **EFFICIENCIES**

### **Naval Safety Program**

Senior level management attention to safety concerns, coupled with selected financial investments, can yield profound benefits to the well being of our Sailors, Marines, civilians, contractors, and the bottom line mission costs. Ensuring the safety of our people has been and remains a top priority for Secretary England's and myself. Secretary Rumsfeld recently challenged the Military Services to reduce the rate of mishaps by 50% by FY-2006.

That has amplified efforts to reduce mishaps and reaffirm the value we place on safety. We have elevated the position of Commander of the Naval Safety Center from a one-star to a 2-star Flag Officer. Secretary England will soon convene the first senior-level Navy and Marine Corps Safety Council to review DoN mishap reduction plans. Navy Flag and Marine Corps General Officers chair or co-chair four of the nine Defense Safety Oversight Council Task Forces. We are reducing lost workdays due to injuries in our civilian workforce. I personally visited several commands and installations and witnessed the great teaming between our command staff, management, and labor organizations to reduce injuries and lost workdays.

Human error is a factor in over 80 percent of our mishaps. We are studying ways to modify high risk driving behaviors, particularly by young

Marines. Our FY-2005 budget will expand our Military Flight Operations Quality Assurance initiative, a highly successful program used in commercial aviation that downloads flight performance data (black box data) after every flight and allows the aircrew and aircraft maintenance team to replay a high fidelity animation of the flight and aircraft performance parameters.

### **Commander, Navy Installations**

The Navy established Commander, Navy Installations (CNI) on October 1, 2003 to consolidate and streamline management of its shore infrastructure. Instead of eight Navy commands responsible for planning, programming, budgeting and executing resources for shore installations, there is a single command – CNI. The Navy now has an enterprise wide view of installation management and resources.

CNI will guide all regions and installations towards Navy strategic objectives. The centralized approach will identify and disseminate best business practices across all regions/installations. The ability to identify standard costs and measure outputs is improving the capability based budgeting process. Managing from a program centric knowledge base allows for a top-level assessment of capabilities and risks.

This central focus on facilities can leverage capabilities between the military services to avoid duplicate investments while still creating surge capacity through joint use opportunities. CNI has developed strategic partnerships with Naval Supply Systems Command (NAVSUP) and Naval Facilities Engineering Command (NAVFAC) to apply their logistics and contracting expertise.

The Navy is already realizing savings, estimated at \$1.6 billion across the FYDP, AND improving services from CNI initiatives.

- Consolidating functions at the regional level vs. installation level (e.g., housing management, administrative functions, contracting, supply, comptroller, business management, maintenance, warehousing).
- Combining command staffs (e.g., NAB Coronado and NAS North Island; CBC Port Hueneme and NAS Point Mugu)
- Consolidating installation contracts (e.g., tug and pilot contracts; custodial and grounds maintenance; negotiating area wide utility rates).
- Shifting installation level supply and contracting functions to NAVSUP and NAVFAC (e.g., eliminate duplication at the installation and regional levels).
- Studying in 2004 the merger of other overlapping installation functions from Naval Bureau of Personnel (e.g., morale, welfare and recreation programs,

fleet and family support programs, child care), NAVSUP (personnel support programs such as food services), and NAVFAC (facilities management).

### **Joint Cooperation on Installation Management**

I had the pleasure in February to witness the signing an agreement between the installation commanders from Navy's Aviation Engineering Service, Lakehurst, the Army's Fort Dix, and McGuire Air Force Base. This partnership encourages joint solutions for common problems between the three contiguous bases and their tenant commands. The three installation commanders are already reducing operating costs by consolidating firearms training, radar information for air operations, and contracts for pest control, linen service, and hazardous waste disposal. We want to encourage such cooperation wherever we have opportunities to partner with the other military departments.

### **BRAC 2005**

Now more than ever, we need to convert excess capacity in our U.S. shore infrastructure into war-fighting capability. BRAC 2005 may well be our last significant opportunity to reduce excess infrastructure, and apply savings to improve readiness. More importantly, it will allow us to transform our infrastructure to best support the force structure of the 21st Century.

The Congress gave considerable thought on how to structure a BRAC 2005 process that sets fair and objective evaluation standards and incorporates the lessons learned from four previous BRAC rounds. We will be meticulous in meeting these statutory standards. We will treat all bases equally. We will base all recommendations on the 20-year force structure plan, infrastructure inventory, and published selection criteria. In no event will we make any decisions concerning the reduction of infrastructure until all data has been collected, certified and carefully analyzed.

We will look for joint use opportunities in our analysis and recommendations. This is a fundamental change from past BRAC processes. I believe, as does the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps, that we can and must apply the type of joint warfighting successes witnessed in Afghanistan and Iraq to a more efficient and effective Department of Defense shore infrastructure.

Within the DoN, the overall BRAC 2005 process is under the Secretary of the Navy's oversight and guidance. The Secretary of the Navy established three groups to support the process. The Infrastructure Evaluation Group (IEG) which I chair, will develop service unique recommendations for closure and realignment of the DoN military installations. It will also ensure that the operational needs of the fleet commanders are carefully considered.



The Infrastructure Analysis Team (IAT) will develop the analytical methodologies, collect certified data from Navy and Marine Corps activities, examine

#### **DoN Infrastructure Evaluation Group**

- Asst Sec Navy, Installations & Environment (Chair)
- Dep Asst Sec Navy, Infrastructure Strategy & Analysis (Vice Chair)
- Dep CNO Fleet Readiness and Logistics
- Dep Chief of Staff U.S Atlantic Fleet
- Dep Commandant Installations and Logistics
- Dep Commandant Aviation
- Dep Asst Sec Navy Research Development Test & Evaluation
- Dep Asst Sec Navy Manpower & Reserve Affairs

joint and cross-service basing opportunities, perform in-depth analysis, and present the results to the IEG for evaluation. The Deputy Assistant Secretary of the Navy for Infrastructure Strategy and Analysis, who is a member of my staff, leads the IAT. The IAT has 93 military, civilian and contract personnel with a broad range of expertise and warfare disciplines.

A Functional Advisory Board (FAB) reports directly to the IEG and bridges the analysis by the DoD Joint Cross Service Groups and the DoN. The FAB includes Navy and Marine Corps flag officers and senior executives who are assigned to the seven Joint Cross Service Groups (JCSG). The FAB ensures that the DoN position on joint functions are clearly articulated and the leadership is kept current on JCSG matters.

#### **Demolition/Footprint Reduction**

After the Navy and Marine Corps achieved the FY-2002 DoD goal of 9 million square feet and two million square feet, respectively, they have continued to demolish excess and vacant facilities. In FY-2005, the Navy has budgeted \$49 million to demolish 1.6 million square feet, and the Marine Corps \$5 million to demolish about 305 thousand square feet.

The demolition effort has evolved from just eliminating “eye-sores” to encouraging installations to consolidate, move out of costly leased or antiquated facilities, and eliminate the most inefficient facilities. We want to avoid spending SRM and base operating support funds on facilities we no longer need.

#### **Utility Privatization**

Privatizing DoD electricity, water, wastewater, and natural gas utility systems to corporations who own and manage such systems will allow DoD to concentrate on core defense functions and yield long term cost savings. The Secretary of Defense has directed that each Service evaluate the potential for privatizing their utility systems, while 10USC § 2688 provides the legislative authority to convey utility systems where economical. The DoN is on track to

meet the DoD goal of reaching a source selection authority (SSA) decision for all of its utility systems by 30 September 2005. To date, we have made SSA decisions for 111 systems, or 17% of the 654 systems available for privatization. Of the 111 systems with an SSA decision to date, 15 systems have been privatized, 41 systems have been exempted, and 55 systems are under review. DoN expects to achieve SSA decisions for approximately half of its systems by the end of FY-2004. It is still too early to predict what percentage of our utility systems will successfully be privatized.

### **Strategic Sourcing**

Our strategic sourcing program examines cost effective options to deliver service and support services to our shore installations. There are three components: OMB Circular A-76 Competitive Sourcing program, Strategic Manpower Planning, and Divestiture.

A-76 competitions compare performance costs for civilian employees vs. contract performance for facility management, logistics support, real property maintenance, and other similar functions that are widely available in the commercial sector. The program has competed 24,700 positions since 1998 and generated over \$640 million in cost avoidance through FY-2005. Our FY-2005 program will begin studies on 6,480 positions as part of a plan to examine 29,000 positions in FY-2004 through 2008, with expected cost avoidance of \$250 million.

Strategic manpower planning ensures uniform service members perform assignments that are inherently military while converting functions that are commercial in nature to civilian or contractor performance. The Department will study about 4,700 military positions in FY-2004 and FY-2005 for potential conversion.

We are examining opportunities to divest functions that are not a core competency of the Department and are readily available in the commercial sector. As an initial effort, the Department is studying whether to divest Navy's optical fabrication to private industry. Navy employs 380 military and civilian personnel, and spends \$36 million to produce 1.3 million pairs of eyeglasses each year. The study is scheduled for completion in FY-2004.

## **PRIOR BRAC CLEANUP & PROPERTY DISPOSAL**

The BRAC rounds of 1988, 1991, 1993, and 1995 have been a major tool in reducing our domestic base structure and generating savings. The Department has achieved a steady state savings of \$2.7 billion per year since FY-2002. All that remains is to complete the environmental cleanup and property disposal on all

or portions of 22 of the original 91 bases. We have had significant successes in sales, disposal, and cleanup.

### **Property Sales**

We have used property sales as a means to expedite cleanup and the disposal process as well as recover the value of government owned property purchased by taxpayers. We sold 235 acres last year at the former Marine Corps Air Station Tustin, CA on the GSA Internet web site for a net \$204 million. We sold 22 acres at the former Naval Air Facility Key West, FL in January 2004 for \$15 million. The city of Long Beach, CA opted to pre-pay its remaining balance plus interest of \$11.3 million from a promissory note for the 1997 economic development conveyance of the former Naval Hospital Long Beach. We are applying these funds to accelerate cleanup at the remaining prior BRAC locations.

More property sales are planned that will finance the remaining prior BRAC cleanup efforts. We are close to resolving legal issues in the aftermath of the lawsuit by the LRA at the former Oak Knoll Naval Hospital in Oakland, CA. We are monitoring progress on the lawsuit filed against the City of Irvine on the environmental impact report it prepared under California statutes for annexation of the former Marine Corps Air Station El Toro, CA and expect to proceed soon with the sale of that property. We will use the proceeds from both sales to finance our FY-2005 program of \$115 million. If necessary, we will use the funds from the Long Beach and Key West sales as a cash flow bridge if the Oak Knoll and El Toro sales are delayed.

### **Property Disposal**

The DoN had about 161,000 acres planned for disposal from all four prior BRAC rounds, with the former Naval Air Facility Adak, AK accounting for 76,800 acres. The Congress provided the necessary statutory authority last year to allow the Navy to relinquish over 71,000 acres of the Adak land withdrawal to the Department of Interior, and Interior to exchange portions of that land with other lands held by The Aleut Corporation. The Navy will fence and retain about 5,600 acres due to the presence of munitions. The Navy issued in December 2003 a Finding of Suitability for Transfer of 71,200 acres and a notice of intent to relinquish this land to the Department of Interior. We plan to complete the Adak land transfer in March 2004.

The transfer of Adak, along with recent successful property conveyances at Louisville, KY; Key West, FL; Indianapolis, IN; and Richmond, CA puts us in position to have less than seven percent (or about 11,000 acres) of the property from all four prior BRAC rounds still to dispose by the end of this fiscal year.



## **Cleanup**

The DoN had spent \$2.3 billion on environmental cleanup at prior BRAC locations through FY-2003. We expect the remaining cost to complete cleanup at about \$495 million for FY-2006 and beyond, most of which is concentrated at fewer than twenty remaining locations. Any additional land sale revenue beyond that currently budgeted will be used to further accelerate cleanup at remaining prior BRAC locations. These sites are primarily former industrial facilities that tend to have the most persistent environmental cleanup challenges.

## **ENVIRONMENTAL CLEANUP**

### **Cleanup Program at Active Bases**

We continue to make substantial progress toward completing our environmental restoration program and are on target to complete the cleanup on active bases by the DoD goal of 2014. For the third year in a row, the number of cleanups completed at active bases exceeded the planned target. The program Cost to Complete (CTC) continues to decline: it is now \$3.0 billion for FY-2004 and beyond. Almost 70 percent of all sites have remedies in place or responses complete. We have kept a stable funded program and predict steady progress to cleanup the remaining sites. We believe the Department of Navy cleanup program is one of the best in government.

- Our Alternative Remedial Technology Team reviews innovative technologies and promotes their use in the field.
- Our process improvements have reduced the number of sites being “re-opened” by regulators from 50 in 1999, to 20 in 2001 to 9 in 2003.
- Our partnering with regulators minimizes disputes and has served as a model for other agencies. Our Environmental Management Executive Council brings together two EPA Regions and six states on the west coast to jointly resolve issues.
- Our acquisition strategy matches the type of work to be performed with the most cost-effective contractual vehicle while enhancing opportunities for small businesses.

### **Munitions Response Program**

We are working with the Office of the Secretary of Defense to develop Munitions Response Program (MRP) objectives for discarded military munitions and unexploded ordnance (UXO) at locations other than operational ranges. We completed an extensive inventory of our installations to identify potential MRP sites, finished nine Preliminary Assessments (PAs), and initiated PAs at 31 installations through the end of FY-2003. We will initiate PAs at 13 other installations in FY-2004 and FY-2005 and expect to achieve the DoD PA completion goal by FY-2007. The \$8 million budgeted in FY-2004 and \$16 million in FY-2005 is sufficient to complete all PAs. Site Inspections (SIs) will begin in

FY-2006. Any imminent human health or environmental concerns identified during our investigations will be addressed immediately.

### **Vieques Cleanup**

We ceased military training on Vieques in 2003 and, as required by law, transferred 14,400 acres on eastern Vieques to the Department of Interior (DOI) in April 2003. Interior will manage the majority of it as a wildlife refuge, with the former Live Impact Area (about 900 acres) designated as a wilderness area. The Governor of Puerto Rico has proposed listing Vieques and Culebra on the National Priorities List (NPL). We expect to sign a Federal Facilities Agreement to govern the cleanup after the NPL listing becomes final.

Cleanup on western Vieques (the former Naval Ammunition Supply Detachment (NASD)) is proceeding as we work closely with the Puerto Rico Environmental Quality Board. Seventeen sites have been identified, but none with major environmental contamination, as NASD was not an industrial operation. These sites make up 490 acres of the 8114 acres transferred. We expect to spend about \$16 million on these sites and complete the cleanup by 2007.

Cleanup assessments are also underway on eastern Vieques (former training/bombing range). Twelve sites consisting of 80 of the 14,400 acres transferred require assessment and potential cleanup. The sites include routine waste disposal areas used to support the former Camp Garcia, a landfill, and sewage lagoon. Other areas of concern will be examined. We expect to spend about \$14 million on cleanup for the 12 non-munitions sites and complete the cleanup by 2014.

The former bombing ranges will require munitions assessment and cleanup. In the spring of 2003 the Navy investigated two beaches for potential munitions. The Navy has budgeted \$8 million in FY-2005 for range assessments and initial clearance actions. Beaches and the live impact area will be high priorities. We estimate a cleanup cost of \$76 million in FY-2006 and beyond for munitions assessments and clearance actions based on the land uses designated in the statute. We will be working closely with the EPA and DOI. Worker safety and minimizing disturbance of the natural environment will be important considerations.

### **Kaho'olawe**

Kaho'olawe is a 28,800 acre uninhabited island in Hawaii used as a naval gunfire and bombing range from 1942 through 1990. In accordance with Title X of the FY-1994 Defense Appropriations Act, the Navy transferred title of Kah'olawe to the State of Hawaii in 1994, and has been clearing ordnance according to the State's priorities.

Navy relinquished control of access to Kaho'olawe to the State on November 11, 2003, as required by Title X, ending a ten-year cleanup effort. The Congress appropriated a total of \$460 million for the cleanup, including \$44 million provided to the State to assist them in preparing a reuse plan and managing the island. As of January 16, the Navy had cleared a total of 22,059 acres, consisting of 1,543 acres cleared of surface ordnance only; 20,516 acres cleared of surface ordnance and all scrap metal (known as Tier I); and 2,636 Tier I acres that were further cleared up to a four-foot depth (known as Tier II). During the cleanup, the Navy completed many non-clearance State goals, including road construction, historic and archaeological assessments, and shipped over 11 million tons of scrap metal, along with tires and aircraft debris used as targets.

The cleanup contractor is completing demobilization, removing remaining scrap items and equipment not needed by the State. The Navy has signed an agreement with the State, as required by Title X, to respond to newly discovered, previously undetected ordnance found on the island in the future. The Navy believes it has accomplished the original Title X goal to provide reasonably safe and meaningful use of the island, as several thousand visits by the public have already been recorded. However, there is no technology that can assure the complete removal of all ordnance. We will remain partners with the State to manage the risk to humans from ordnance that certainly remains on the island.

## ENVIRONMENTAL QUALITY

### Marine Mammals

The Navy is proud of its record of environmental stewardship, particularly our marine mammal research efforts and protective measures for military training activities.

We are leaders in marine mammal research and are committed to find ways to avoid harm to animals while still performing our mission at sea.

The Navy spends about \$8 to \$10

million per year in marine mammal research, representing about half of all known worldwide investments in this area. We coordinate with and share findings with other agencies such as the National Oceanic and Atmospheric Agency, and the National Science Foundation.

#### DoN Marine Mammal Research Focus Areas

- Underwater sound propagation
- Marine mammal locations and densities
- Behavior effect thresholds
- Mitigation techniques

The Navy has protective measures to avoid harm to marine mammals during training and operations at sea while preserving training realism:

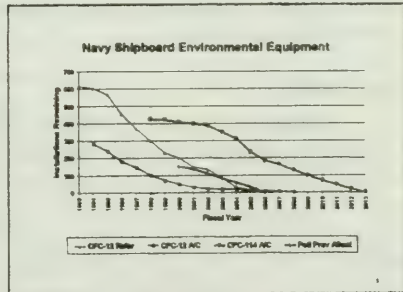


- **Planning** – Using historical marine mammal location information to plan training activities. Protective measures are tailored to the type of training, location, and season.
- **Detection** – Posting trained lookouts 24 hours per day on surface ships. Submarines employ passive acoustic detection devices to determine range and bearing of vocalizing marine mammals. We may launch aerial searches for marine mammals in training areas before, during and after training events.
- **Operations** – Establishing buffer zones during training exercises, and suspending operations when necessary. Navy may limit active sonar training through standoff distances, source power level reductions, limit nighttime and bad weather operations, or opt to train in deep rather than shallow water.

The changes made by the Congress to the Marine Mammal Protection Act will allow us to better balance our readiness requirements with our legal obligations to ensure military activities are protective of marine mammals, and will allow us to "train as we fight" when our activities do not have biologically significant effects on marine mammals. We urge the Congress to reaffirm those changes as they consider reauthorization of the Marine Mammal Protection Act.

### Shipboard Programs

The Navy invested \$465 million in the last decade to install pulpers, shredders, and plastic waste processors on its surface ships. This equipment avoids the need to discard plastics into the world's oceans and allows environmentally acceptable disposal of other solid wastes such as food, paper, cardboard, metal and glass. Submarines will be outfitted with similar solid waste equipment by the end of 2005, well in advance of the December 2008 deadline established in the Act to Prevent Pollution from Ships.



The Navy has been converting air conditioning and refrigeration plants on its surface fleet from ozone depleting CFCs to environmentally friendly coolants. We plan to spend a total of \$400 million on this effort, including \$30 million in FY-2005. We expect to complete the conversion of nearly 900 CFC-12 plants by 2008, and over 400 CFC-114 plants by 2012. We expect to spend about \$35 million to install suites of pollution prevention equipment (e.g., HVLV paint sprayers, aqueous parts washers) on ships, including \$5 million in FY-2005. This equipment, combined with

management actions, reduces 10,000 pounds per year of hazardous material brought aboard our large ships.

We continue efforts with EPA to establish uniform national discharge standards for all armed forces vessels. This has proven to be a very complex undertaking. Navy and EPA have opted to segregate the 25 types of discharges into "batches", with control standards for the first batch of 5 discharges (including hull coatings) to be published by September 2005.

### **Alternative Fuel Vehicles**

For the second year in a row, the Navy-Marine Corps Team substantially exceeded the Energy Policy Act requirement that 75 percent of covered fleet vehicle procurements be alternative fuel vehicles. At the Pentagon, our Navy Public Works Center in Washington, D.C. converted the entire executive motor pool to alternative fueled vehicles.

We are hoping to expand our procurement of hybrid vehicles in FY-2004 and beyond and increase the use of bio-diesel and ethanol. We are working with the Army's National Automotive Center to place hydrogen-powered fuel cell vehicles at Marine Corps Recruit Depot, San Diego, and to open a fueling station at Camp Pendleton. These actions help develop a regional hydrogen-fueling infrastructure and provide us with hands-on experience with hydrogen and fuel cell transportation technology. While there are important environmental benefits, these investments also provide opportunities for technology transfer to future weapons systems.

### **Conservation**

Integrated Natural Resources Management Plans (INRMP) are the foundation upon which Navy and Marine Corps activities protect and manage lands. The DoN has 96 bases that require INRMPs: 82 INRMPs are in place; 13 are being revised because they have passed the end of their five-year cycle; and one is for the Barry M. Goldwater Range. This one is being prepared jointly with the Air Force and Department of Interior, and is delayed due to litigation. Navy and Marine Corps INRMPs already address endangered species and migratory birds. We have revised our INRMP guidance to ensure they provide a conservation benefit to endangered species. Our bases work closely with the U.S. Fish and Wildlife Service, State fish and game agencies to prepare the INRMPs. We are serious about our obligation to conserve natural resources entrusted to us by the American people as a means to ensure continued access to these resources to enable our military mission. Good conservation practices and military training operations can be mutually beneficial:

- Navy efforts increased the population of federally protected California least tern from 13 nests in 1977 to 1,200 today, and the snowy plover population

from 12 nests in 1992 to 101 today at the Silver Strand portion of Naval Amphibious Base Coronado. Because of this success, the Fish and Wildlife Service reduced training restrictions for our Special Forces.

- Using animals provided by the Government of Mexico, the Marine Corps, Air Force, U.S. Fish & Wildlife Service, and State of Arizona have established a captive breeding program for the Sonoran pronghorn ram, an endangered species that inhabits the Goldwater Range. Increasing the population of this species will reduce restrictions on the timing and tempo of ordnance delivery to target areas on this joint military training range.

## ENCROACHMENT

We have made great strides in addressing encroachment issues over the past two years. Congress has provided much needed relief through enactment of legislation in the 2003 and 2004 National Defense Authorization Acts that allows the DoN to balance military readiness and environmental stewardship.

- We worked closely with the Department of the Interior to implement congressional direction to develop a rule that clearly defines the relationship between military readiness activities and the Migratory Bird Treaty Act. The Department of the Interior plans to publish the proposed rule soon.
- The Marine Corps is sponsoring conservation forums to help identify land and conservation partners as a means of limiting encroachment on its training areas from commercial development. With the Nature Conservancy as a partner, we have completed one project for 2,500 acres adjacent to Camp Lejeune tank and rifle ranges. Other efforts are underway in California, South Carolina, and Georgia with partners such as San Diego County, the Trust for Public Land and the Sierra Club.
- The Congress amended the Endangered Species Act to allow the Secretary of the Interior to exclude military installations from critical habitat designation when such installations are managed in accordance with an INRMP and the Secretary determines the INRMP provides a benefit to the endangered species. The U.S. Fish and Wildlife Service is under court order to designate critical habitat for a number of species in April 2004, including four species<sup>2</sup> that occur on Marine Corps Air Station Miramar and Marine Corps Base Camp Pendleton. INRMPs at these bases provide benefits to these species. The legislative change should allow the Secretary of the Interior to exclude both installations from critical habitat designations, thus ensuring our ability to continue to conduct realistic military training.
- We will use the revised definition of harassment of marine mammals in analysis of new technologies for military readiness training programs (such as the Virtual At Sea Training (VAST) system for naval gunfire), littoral

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<sup>2</sup> Southwestern arroyo toad, Riverside fairy shrimp, San Diego fairy shrimp, California coastal gnatcatcher.



warfare training, and supplemental analysis on deployment of the SURTASS LFA sonar system. The revised definition ensures that analysis of impacts on marine mammals is based on science, not speculation. The changes approved by Congress reflect current methodologies used by Navy and the National Marine Fisheries Service and reduce the likelihood of costly, time-consuming litigation caused by ambiguous language.

Notwithstanding the gains we've achieved thus far, encroachment continues to be a very real problem – one that will become more complex as populations grow, pressures on ecosystems mount, and the means required to sustain military readiness evolve through new technologies and threats.

Coming to grips on when military munitions become solid wastes under the Resource Conservation and Recovery Act can ensure effective range management for both military readiness training and waste management. Flexibility for implementing the general conformity requirements of the Clean Air Act will allow more effective deployment of new weapons systems and the realignment of existing assets. We continue to discuss these important issues with the states and groups such as the National Governors Association and the Environmental Council of the States.

Congressional efforts to address balancing military readiness and environmental stewardship have not gone unnoticed by state legislatures. Following your example, three states – California, Arizona, and Texas – have enacted laws requiring local governments to consider impacts on military readiness during environmental planning and land use planning processes.

## CONCLUSION

In conclusion, I would ask the members of this committee to judge the merits of the Department of the Navy's installations and environmental program through the considerable progress we are making in virtually all areas. Funding reductions are driven by reduced requirements, less costly alternatives, and improved business processes.

That concludes my statement. I appreciate the support of each member of this committee, and will try to respond to your comments or concerns.

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**QUESTIONS AND ANSWERS SUBMITTED FOR THE  
RECORD**

MARCH 4, 2004

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## QUESTIONS SUBMITTED BY MR. HEFLEY

Mr. HEFLEY. It has come to my attention that government auditors have recently revealed that DOD has \$3 billion in unpaid taxes from more than 27,000 DOD contractors. The GAO showed that there is a mechanism that the DOD could implement with the IRS to withhold up to 15 percent of each contract to offset the tax debt, if they are not paying their debts. However, neither DOD nor the IRS has done this.

As a consequence, we could have collected \$100 million in just 2002, instead of the \$687,000 that we have collected since last September. Please validate and provide your perspective on this situation.

Secretary PROSCH. The DoD is committed to collecting all monies owed to the Federal Government from any contractor with whom we are doing business. Currently, the Department submits payment information that represents 50 percent of the dollars disbursed for matching to the tax and non-tax debts included in the Treasury Offset Program (TOP). As of December 2003, the DoD was only able to provide payment information to the Treasury for one of its 20 payment systems. As of March 2004, however, that number has increased to four payment systems. The amount being offset has also increased from \$687,000 at the time of the report to over \$2 million today. There is an effort underway by the Under Secretary of Defense (Comptroller) and the Military Components to upgrade the remaining payment systems to have the capability to interface with the information in the TOP. By August 2004, payment information forwarded to TOP will increase to approximately 90 percent and then to 100 percent by March 2005. Collections are expected to increase as more payment systems become compliant.

The DoD takes exception to the GAO's projection that over \$100 million in tax levies could have been offset in fiscal year 2002 had all of DoD's commercial payment systems been providing payment availability files to the TOP. The GAO based its estimate on matching DoD payments to all federal tax debts when, in fact, the IRS only refers a third of these debts to the TOP. The GAO matched DoD payments to federal tax debts using the Taxpayer Identification Number (TIN) only, while DoD payment files must match both the TIN and contractor name.

Mr. HEFLEY. The Army plans significant changes in the coming years, including transformation initiatives, a temporarily increased end strength level, and global repositioning.

- Does the Army FYDP include funding to meet increased requirements resulting from these changes?
- Has the Army assessed the facilities requirements likely to result from transformation, Comanche termination, end strength increases, and global repositioning? What are the anticipated facilities costs of each?

Secretary PROSCH. The current FYDP will likely require adjustments based upon recent and pending decisions. We are currently assessing the impact of these decisions.

The specific project requirements associated with modularity and the temporary increase in end strength level have not been finalized pending further definition of requirements and assessment of existing facility resources. The global positioning decisions have also not been finalized and, therefore, further adjustments to our facility requirements may be necessary. With respect to the Comanche termination, we have made adjustments and have included additional facilities for the Army National Guard to support aviation transformation as part of the President's Amended Budget for Fiscal Year 2005.

Mr. HEFLEY. DOD has established a model for budgeting Operations and Maintenance funds for sustainment of facilities. However, the Department does not have a model for the other accounts that repair, modernize, and support its facilities. In fact, the Army's base operations accounts are funded at 72 percent—far below the 80–85 percent “must pay” amount.

- How does the Army plan to meet its base operations requirements?

- What is the Army doing to ensure that future facilities budgets adequately fund military construction, sustainment, restoration, modernization, and base operations?

Secretary PROSCH. The Army will have to reallocate existing funding in the year of execution to meet base operations requirements. The current budget takes risk in the installation programs due to other higher priority Army missions.

The Army, in concert with the Office of the Secretary of Defense and the other Services, is developing funding models which will provide additional metrics to better define and consolidate our requirements. This will provide significant, positive impact on the Services' ability to forecast and budget "must fund" installation activities.

Mr. HEFLEY. The Army's centralized installations management Agency (IMA) has been in place for about one year. Please provide your perspective on the performance of IMA.

Secretary PROSCH. The Army activated the Installation Management Agency (IMA) as the single organization to manage Army installations worldwide. IMA's mission is to support and enable mission commanders, increase effectiveness in installation management, achieve regional efficiencies, eliminate migration of installation support dollars, and provide consistent and equitable services and support to common standards. During its first year of operation, IMA strove to meet the tenets of its creation. The IMA "stay home" team is a proven readiness component of the "Global War on Terrorism"; specifically, by managing power projection and support platforms, facilitating deployments, and accommodating mass mobilization densities. With IMA's support, mission units and commanders are now free to focus on their warfighting missions. Through innovative contracting, IMA is working to achieve regional efficiencies. The IMA is delivering Base Support dollars directly to installations. The Army has developed standards for facilities and services; IMA is developing implementation plans for execution. With visibility of Army installations, IMA can better eliminate the disparity of service support across installations. IMA is committed full time to the well-being of Soldiers, civilians, and family members.

Mr. HEFLEY. What differences in facilities funding, management, and planning have resulted from the foundation of IMA?

Secretary PROSCH. The activation of the Installation Management Agency (IMA) signaled significant changes in how the Army manages installations. IMA provides equitable, effective, and efficient management of Army installations worldwide. With the activation of IMA, the Army put in place controls on the migration of Base Support funds to Mission accounts. IMA distributes Base Operating Support (BOS) funds directly to garrisons, providing clear audit trails and eliminating multiple layers with disparate priorities and accounting methods. IMA has worldwide visibility of requirements, expenditures and funds, never before available. This permits IMA to evaluate all installations' requirements relative to total requirements throughout the agency in accordance with a common standard. In fiscal year 2004 (FY04), IMA directed garrisons to minimize reprogramming of facilities sustainment funds to base operations functions and to spend facilities sustainment funds early according to plans and priorities. IMA provided clear guidance on how to spend the limited available funds and maintain a balance between covering traditionally must fund BOS requirements and sustainment, restoration and maintenance (SRM) requirements. This strategy clearly demonstrated a commitment to facilities sustainment and produced positive results. At the mid-year point in FY04, 68% of the sustainment funds have been obligated, compared to only 44% in FY03.

Through its corporate structure, common standards and management methods, IMA has already produced a host of business process improvements and regional efficiencies that will pay sizable dividends in base support responsiveness and buying power.

IMA's management structure is lean. Prior to the IMA, 15 Major Commands (MACOMs) around the world managed Army installations. The total number of people involved in managing these headquarters was very difficult to determine since each had its own different method of management. In establishing IMA, the Army moved 1,032 spaces from these MACOMs to establish the headquarters and the seven region offices. The IMA leader-to-led ratio is a very lean 1.5%, compared to most Department of Defense agencies in the 4% to 5% range.

Mr. HEFLEY. How can IMA improve the work it is doing? Is congressional action necessary?

Secretary PROSCH. IMA is pursuing a number of initiatives, such as business process redesign, enterprise information management solutions and activity based costing and management (ABC/M) to achieve new efficiencies. IMA is standardizing garrison organizations and functions and developing a management system for non-Op-



erations and Maintenance, Army (OMA) funded installations. Beyond your full support of the budget, no other congressional action is necessary.

Mr. HEFLEY. The Army has been utilizing a pilot "commissioning" program to allow it to purchase facilities with maintenance contracts for the first several years of ownership. The Department has indicated that it may request an expansion of the program.

- Why do you believe the commissioning program is an effective one?
- What data are you collecting to validate your belief that commissioning is a cost-saving program?

Secretary PROSCH. Commissioning is a private industry "best practice," pioneered by hospitals and universities. The Army believes this commissioning has the potential to provide higher-quality construction and reduce maintenance and repair costs for its facilities. We are developing metrics to measure both pilot and baseline projects under this program. These metrics include: physical condition assessments; cost of maintenance for pilot and baseline projects; and occupant satisfaction and quality of life surveys. The Army will provide a detailed report to Congress in January 2005. However, with submission of the Fiscal Year 2005 Budget, we have utilized all twelve projects allowed the Army by Congress under this demonstration program. The Army sees merit in expanding this program as soon as possible.

Mr. HEFLEY. The ongoing Global Posture Review is likely to make significant changes in U.S. basing plans and activities overseas.

- How will the Global Posture Review affect the Army's overseas bases?
- How will the review affect Army overseas stationing and deployment policies?
- General Jones has mentioned "lily pad" bases in Europe—how does the Army expect to change the nature of Grafenwoehr and its other European bases as a result of the Global Posture Review?
- How do you expect the changes in force plans for Korea to affect the Army's basing in Asia?
- Please describe the effects of the reductions in overseas funding enacted by Congress in the FY04 military construction bills.

Secretary PROSCH. We anticipate that the Integrated Global Presence and Basing Strategy (IGPBS) will have significant overseas impacts, which we will address in detail after the ongoing DoD study is completed. At this time, however, we do not know the scope and breadth of stationing and deployment impacts.

Grafenwoehr is a major Army location for training and we expect it to remain so in the future. The current Efficient Basing Grafenwoehr (EBG) program is designed to increase efficiency and operational effectiveness in line with current DoD objectives. Similarly, as changes in forces for Korea are implemented, we will assess the situation and recommend any necessary basing adjustments at that time. Until the IGPBS is released, we are not able to address what impacts it will have on our overseas bases.

Reductions in overseas funding will cause delays to quality of life improvements such as housing and physical fitness centers for soldiers and families overseas. Consolidation of U.S. Forces into Grafenwoehr and Camp Humphreys will also be delayed.

Mr. HEFLEY. It has come to my attention that government auditors have recently revealed that DoD has \$3 billion in unpaid taxes from more than 27,000 DoD contractors. The GAO showed that there is mechanism that the DoD could implement with the IRS to withhold up to 15 percent of each contract to offset the tax debt, if they are not paying their debts. However, neither DoD nor the IRS has done this. As a consequence, we could have collected \$100 million in just 2002, instead of the \$687,000 that we have collected since last September. Please clarify and validate this situation?

Secretary JOHNSON. The DoD is committed to collecting all monies owed to the Federal Government from any contractor with whom we are doing business. Currently, the Department submits payment information that represents 50 percent of the dollars disbursed for matching to the tax and non-tax debts included in the Treasury Offset Program (TOP). As of December 2003, the DoD was only able to provide payment information to the Treasury for one of its 20 payment systems. As of March 2004, however, that number has increased to four payment systems. The amount being offset has also increased from \$687,000 at the time of the report to over \$2 million today. There is an effort underway by the Under Secretary of Defense (Comptroller) and the Military Components to upgrade the remaining payment systems to have the capability to interface with the information in the TOP. By August 2004, payment information forwarded to TOP will increase to approxi-



mately 90 percent and then to 100 percent by March 2005. Collections are expected to increase as more payment systems become compliant.

The DoD takes exception to the GAO's projection that over \$100 million in tax levies could have been offset in fiscal year 2002 had all of DoD's commercial payment systems been providing payment availability files to the TOP. The GAO based its estimate on matching DoD payments to all federal tax debt when, in fact, the IRS only refers a third of these debts to the TOP. The GAO matched DoD payments to federal tax debts using the Taxpayer Identification Number (TIN) only, while DoD payment files must match both the TIN and contractor name.

Mr. HEFLEY. The services have authority to pursue bachelor housing privatization programs. To date, no service has utilized the authority, although the Navy has been studying the issue for some time.

Please describe where the Navy is in the planning process for pursuing a bachelor housing privatization program?

Secretary JOHNSON. The Navy has briefed OSD on a pilot project for San Diego. We are working with OSD to schedule a briefing for OMB. Contingent on OMB approval, we will notify the Committees of our intent to issue a solicitation.

The Navy is continuing to develop concepts for other pilot bachelor housing privatization projects.

Mr. HEFLEY. What specific have prevented the Navy from utilizing the authority?

Secretary JOHNSON. There have been two statutory impediments that have prevented the use of this authority. The first was the requirement that privatized bachelor housing, located on base, be built to military construction standards. The Military Construction Authorization Act for Fiscal Year 2004 removed this requirement. Second, there is no provision in the annual appropriations bill that authorizes the transfer of funds into the Military Unaccompanied Housing Improvement Fund in conjunction with the execution of a barracks privatization project. The Administration has proposed appropriations language for FY 2005.

Notwithstanding structural obstacles, a major challenge has been to develop projects that would attract private sector interest while not being Governmental in nature and, as a result, be subject to adverse scoring. For example, existing barracks are typically located on the interior of the base, not easily severable. As such, the private sector may view such barracks as inherently more risky than a project with new construction at the perimeter of the base or on severed parcels of land.

There are other factors that distinguish the privatization of bachelor housing from family housing. One example is the case of deployments. When members with dependents deploy, their families typically remain behind in housing. This is not the case with single members. The Navy has considered the issue of whether or not single members should retain housing even while deployed. There are both costs and benefits that need to be weighed in developing viable projects. Another unique issue is the sharing of units by two or more bachelors and how that will be handled in the case of deployments or change of duty stations.

The Navy has been developing concepts for pilot projects that balance the principles of privatization with the unique requirements associated with bachelor housing. We are confident that the Government can work with a private partner to fashion solutions that preserve the viability of a project while protecting Government interests.

Mr. HEFLEY. DoD has implemented a model for determining funding levels for sustainment accounts, but has not yet implemented a model for base operations, restoration, and modernization accounts.

Does DoD's sustainment model adequately support Navy sustainment requirements?

Secretary JOHNSON. Yes it does. The Navy participated in development of the Facility Sustainment Model and remains engaged with the Office of the Secretary of Defense as annual updates are made. The model draws from industry standards and pricing where possible and applying them to the specific inventory of facilities and structures within the Department of the Navy.

Mr. HEFLEY. Are Navy base operations, restoration, and modernization accounts fully funded? If not, what are the funding shortfalls in these areas?

Secretary JOHNSON. The Navy has developed models for the common base operations functions at its shore installations. Through use of these models, we define the desired level of output and then price the delivery of that output. The Navy budget as submitted provides funding to deliver the desired levels of common base operations support functions. This budget also represents the Navy's continuing initiative to reduce the cost of providing base support with efficiencies and better business practices.

This budget provides adequate investment in Facilities restoration and modernization in order to recapitalize the Navy facility infrastructure at the rate de-

sired. We consider the level of funding for both Facility Sustainment and Recapitalization well balanced relative to the requirements to operate the installations and recapitalize our force structure.

Mr. HEFLEY. In October 2003, the Navy further consolidated its installations management under a single command, Commander, Navy Installations (CNI).

How has this consolidation affected facilities management, budgets, and priorities at Navy installations?

Secretary JOHNSON. With the standup of CNI, the Navy now has one entity to turn to for BOS resource requirements, thereby bringing visibility to the true cost of BOS services. CNI has instituted Capabilities Based Budgeting (CBB), a zero based annual analysis of BOS. CBB describes what each BOS program does, establishes different capability levels within each program, specifies where the money goes, and what output is expected for each level of investment. It also describes in detail the risks/impacts of outputting at different capability levels, allowing CNI to use Operational Risk Management to match operational mission requirements with the requisite level of service. This process will have long lasting benefits. CBB has brought new insight into what each program buys, what is essential, what is discretionary and what alternatives can be done in this era of continued efficiencies while still delivering customers' requirements. CNI has also been able to identify and eliminate layering and duplication by centralization and streamlining the delivery of services as well as reducing management overhead.

Mr. HEFLEY. As directed by Congress, the Navy is in the process of closing Naval Station Roosevelt Roads, Puerto Rico.

Please update the committee on the status of the closure and disposal process?

Secretary JOHNSON. As directed by Public Law 108-87, Naval Station Roosevelt Roads was disestablished on 31 March 2004. All operational units have been relocated to other installations, and the port and airfield are closed. As detailed in the Committee Report, the Department of Defense School will continue operating through their normal school year with 4 June 2004 being the last day of classes.

Naval Activity Puerto Rico has been established to oversee the transition and disposal of the property. We are working closely with the Office of Economic Adjustment and the Local Redevelopment Authority (LRA) appointed by the Commonwealth. The closure and disposal are being executed in accordance with the procedures and authorities contained in the Base Realignment and Closure (BRAC) legislation, as directed by Public Law 108-87.

We are currently completing the Federal Agency property screening process and have targeted Fall 2005 for property disposal decisions and conveyances. The next milestones include: LRA receipt of expressions of interest from homeless assistance providers (Summer 2004); and LRA completion of reuse plan (Fall 2004).

Mr. HEFLEY. What "lessons learned" about the closure and disposal process dictated by BRAC has resulted from the Roosevelt Roads closure to date?

Secretary JOHNSON. Lessons Learned are still being generated at this early stage of the transition and disposal phases, but some are already apparent.

The first has been the impact of limitations within the current law against contracting for certain functions like security services. This limitation precluded consideration of decisions that could have better utilized Navy personnel and resources. We believe there should be consideration of legislative relief that allows contracting for these functions at bases that are closing. The DoD has submitted a legislative proposal in this session of Congress that if enacted would allow contracting for security services at active and BRAC bases.

Another lesson is the value of thoroughly vetting property transfer requests by DoD/Federal components, and strongly encouraging co-location of such interests within concentrated enclaves rather than scattered throughout the property. Through this approach, the Department of the Navy expects there will be larger parcels of commercially attractive property for future disposal.

#### QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. Do the composite maps that are in use by Camp Shelby fall under the operations & maintenance account?

Secretary PROSCH. The use of composite maps does not determine whether a project falls under the operations and maintenance account. The size of the training area does. Only two of the training areas at Camp Shelby were small enough so that all the wetlands crossings within them and other requirements to produce a combined arms training area could be constructed for under \$750,000 per training area. Three more training areas will be constructed with military construction funds



once a Congressional reprogramming is complete. Larger training areas are covered in a FY07 Future Years Defense Program project.

### QUESTIONS SUBMITTED BY MR. HAYES

Mr. HAYES. As we approach another round of BRAC, can you tell me about some of the private lands initiatives the Army is undertaking to prevent encroachment?

Secretary PROSCH. The Army has developed a program called Army Compatible Use Buffers (ACUB) to limit encroachment. ACUB is an important authority that will lead to significant protection of major installations from encroachment. ACUBs are defined as formal agreements between the Army and eligible entities for acquisition of land or an interest in land and/or water rights from willing sellers. Formal agreements may provide for limiting encroachment through acquisition of development rights, cooperative agreements, conservation easements, and other means in accordance with applicable laws.

In conjunction with the Office of the Secretary of Defense and state and private entities, several ACUB actions are now in final planning stages. Two such actions were recently completed at Camp Blanding, Florida, and Fort Bragg, North Carolina.

Mr. HAYES. If an installation has an unfunded requirement, does that requirement go to IMA to be put into a priority system to receive funds?

Secretary PROSCH. Yes. Unfunded requirements are submitted to IMA where they are reviewed and ranked based on need and competing requirements.

Mr. HAYES. What happens if that requirement should not make the cut within IMA's rankings to receive funding? Is the installation forced to go without?

Secretary PROSCH. IMA evaluates all installations' requirements relative to total requirements throughout the agency. IMA's worldwide visibility of requirements, expenditures and funds availability enable applying resources to the most critical needs. Funds may be realigned or shifted to meet the most critical needs. However, funding is insufficient to meet all requirements. IMA submits and articulates its most critical unfunded requirements to HQDA for prioritization against all other departmental needs.

Mr. HAYES. Are contracts such as electricity, water, and other services now managed on a national level rather than a local level? Please demonstrate the cost savings this generates.

Secretary PROSCH. The majority of Army utility commodities contracts such as electricity, water and other services are managed at the local level in accordance with local, state and federal laws. The Army privatizes local utility infrastructure when it is economical to do so. To date the Army has privatized a total of 89 systems. The cost avoidance to MILCON Appropriations to repair/replace these systems is approximately \$537 million. Each system must be evaluated separately in accordance with Title 10 U.S.C. section 2688.

Mr. HAYES. With IMA, what role does the commanding general play at his or her installation?

Secretary PROSCH. The Commanding General of an installation is the Installation Commander. In addition to handling mission functions, the Installation Commander has operational oversight of all installation activities, including those discharged by the Garrison Commander. The Commanding General (Installation Commander) sets training priorities, mission priorities, installation construction priorities, force protection levels and requirements, and well-being program priorities. These priorities are executed by the Garrison Commander, who acts like a city manager, and runs the city/installation by providing all quality of life support and services to Soldiers, civilians, and family members.

Each Army installation is managed by a Garrison Commander who works for the Installation Management Agency (IMA). The Garrison Commander is evaluated by the IMA Region Director and is senior-rated by the Installation Commander. This relationship ensures the Installation Commander's expectations and priorities are met. If the Installation Commander deploys, the Garrison Commander remains at the installation to provide continuity of installation command, receive follow-on mobilized Soldiers, care for the Soldiers, families and civilians left behind, and sustain other critical installation missions.

Mr. HAYES. How many civilians are employed by the IMA headquarters? What percentage of IMA headquarters staff do civilians comprise?

Secretary PROSCH. Two hundred and ninety-six civilians are employed by IMA Headquarters (168 Department of the Army civilians assigned, 111 contractors, 6 Department of the Army Interns, and 11 Department of the Army civilians are detailed). Civilians comprise 91% of the IMA headquarters staff.



### QUESTIONS SUBMITTED BY MS. DAVIS (SUSAN)

Ms. DAVIS OF CALIFORNIA. Is the Third Street gate military construction project, P-759, at Naval Base Coronado located in the FYDP? If so, what year does the Navy plan to fund this project? What is the total cost of the project?

Secretary JOHNSON. P-759, Base Main Gate and Entrance, at Naval Air Station North Island is in the President Budget's 2005 FYDP as FY2007. The most current cost of this project is \$10.18M.

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### QUESTIONS SUBMITTED BY MR. LOBIONDO

Mr. LOBIONDO. With the current tri-service Joint Installation partnership at Fort Dix/Naval Engineering Station Lakehurst/McGuire Air Force Base in place, is there any thought by DOD to establish this 'megabase' as a model joint base now, and develop lessons learned over the next few years, with the idea of creating a template for future joint bases?

Secretary PROSCH. The Office of the Secretary of Defense Installation Policy Board and the DOD Business Initiative Council have chartered an initiative to look at enhancing joint base operations and support. The goal of this effort is to facilitate the joint base operations process. While no decisions have been made as to test locations and test metrics, the Department will give due consideration to Fort Dix/Naval Engineering Station Lakehurst/McGuire Air Force Base as a test location.

Secretary JOHNSON. The OSD Installation Policy Board and the DoD Business Initiative Council have chartered an initiative to look at enhancing joint base operations and support. The goal of this effort is to facilitate the joint base operations process. While no decisions have been made as to test locations and test metrics, DoD will give due consideration to Fort Dix/Naval Engineering Station Lakehurst/McGuire Air Force Base as a test location.

General WILLIAMS. The OSD Installation Policy Board and the DOD Business Initiative Council have chartered an initiative to look at enhancing joint base operations and support. The goal of this effort is to facilitate the joint base operations process. While no decisions have been made as to test locations and test metrics, the Department will give due consideration to Fort Dix/Naval Engineering Station Lakehurst/McGuire Air Force Base as a joint test location.

Mr. LOBIONDO. What steps could or should Congress take to encourage greater joint-basing initiatives such as the one at Ft. Dix/Naval Engineering Station Lakehurst/McGuire AFB in New Jersey? What steps could or should the Department of Defense take to encourage greater joint-basing initiatives such as this?

Secretary JOHNSON. The OSD Installation Policy Board and the DoD Business Initiative Council have chartered an initiative to look at enhancing joint base operations and support. The goal of this effort is to facilitate the joint base operations process. Based on the result of this initiative, which is still ongoing, recommendations will be developed for consideration and implementation by the Services, DoD, and Congress, as appropriate.



**FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—ADEQUACY OF THE FISCAL YEAR 2005 BUDGET TO MEET READINESS NEEDS**

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HOUSE OF REPRESENTATIVES,  
READINESS SUBCOMMITTEE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC, Thursday, March 11, 2004.*

The subcommittee met, pursuant to call, at 9:01 a.m., in room 2118, Rayburn House Office Building, Hon. Joel Hefley (chairman of the subcommittee) presiding.

**OPENING STATEMENT OF HON. JOEL HEFLEY, A REPRESENTATIVE FROM COLORADO, CHAIRMAN, MILITARY READINESS SUBCOMMITTEE**

Mr. HEFLEY. Good morning. I want to say good morning to all of you. We particularly want to welcome the wives who are back there. I will tell you how nice it is for these gentlemen to have adult supervision with them this morning. [Laughter.]

We anticipate much better performance from them than we usually get, so we are glad to have that.

This morning the Readiness Subcommittee will hear testimony from military services on the readiness of their troops and the adequacy of the proposed fiscal year 2005 budget to support readiness.

I am pleased to learn that the reported unit readiness of our troops remains high. This would not be possible without the continued dedication and commitment of each of our soldiers, sailors, airmen and Marines. I hope to hear from the witnesses as to what will be necessary to maintain these readiness levels and to learn where we can expect readiness levels to decline as troops return from deployment.

I am concerned with reports of funding shortfalls in fiscal year 2004. There have been unforeseen circumstances and expenses this year, and that is to be expected as we are fighting a war. I expect the witnesses to testify today to what extent these circumstances are impacting readiness accounts, and to what extent reprogramming and movement of funds will be necessary to continue funding the cost of war. There are also discussions on when supplemental funding for fiscal year 2005 should be provided. Presuming supplemental funding will arrive after the first quarter of fiscal year 2005, I hope the witnesses can provide greater clarity into the services's plans to operate until supplemental funding is provided.

Finally, it would be helpful for each witness to discuss programs or actions that are being taken to increase or maintain readiness levels, while also continuing operating expenses.



Before we get to the witnesses, I would like to give an opportunity for my friend Solomon Ortiz, the Ranking Member of the subcommittee, for any comments he would like to make.

**STATEMENT OF HON. SOLOMON P. ORTIZ, A REPRESENTATIVE FROM TEXAS, RANKING MEMBER, MILITARY READINESS SUBCOMMITTEE**

Mr. ORTIZ. Thank you, Mr. Chairman.

I would like to echo what you just mentioned about the lovely wives being here. They go through a lot of sacrifices, especially when their spouses go into harm's way, and they stay behind with the children and leaking roofs, and plumbing that doesn't work; and this is why we hope we can take care of some of those problems. Welcome to this committee.

Mr. Chairman, I join you in welcoming our guests today. We are very fortunate to have such a distinguished panel this morning. First, I want to say how proud I am of our military forces. They continue to rise to each challenge that we put before them. We are thankful that so many stand bravely in harm's way for us. Beyond those who are deployed, we should not forget the thousands of service members and civilian personnel who work to support them. They do all that is asked of them and more. We owe our servicemen and servicewomen a debt of gratitude for their outstanding service.

Mr. Chairman, there is no doubt that we continue to live in an era that places increased demands on the readiness of the total force. When I use the term "total force," I am speaking about the active duty, National Guard and Reserve service members and civilian workers who contribute so much to force readiness. They have all been operating at a demanding tempo, and there is no indication that it will slow significantly anytime in the near future. We owe it to them to provide them with the funding, equipment, programs and training that they need in order to defend our great nation.

I am pleased that the budget request reflects some increases in the O&M accounts. But, as I have mentioned over the last several years, I remain concerned that increases in readiness funds have not kept pace with the demanding tempo that stresses our forces. In this last year, the continuing war in Iraq and the war on terror in general have placed unforeseen strain on our forces. The services have been forced to raid other accounts to meet operational and other readiness requirements.

I am deeply concerned that in fiscal year 2005, the war-related funds are not funded in this budget either. This means that the services run considerable risk as they pay for those costs up front, while waiting for supplemental funding. That supplemental funding may or may not arrive in either the time and the amount needed. It is no surprise, therefore, to see services report a significant unmet readiness, at least in their unfunded priority list.

For example, the Marine Corps, the numbers of their unfunded priorities are \$43 million for depot level maintenance. The Army's unfunded priorities include \$1.2 billion for depot maintenance and other vital force protection requirements. I would appreciate it if

our witnesses would discuss some of the specifics of these service readiness-related shortfalls and how they intend to address them.

As units return from the difficult duty in Iraq, Afghanistan, and many other places in which we are engaged in this war on terror, they must repair worn and battle-damaged equipment. Much of this activity should take place at our depots. Spare parts must be restocked, and pre-positioned equipment reconstituted to support future contingencies. I am concerned that this budget does not fully fund those activities to the extent necessary.

Additionally, the Department of Defense is in the process of converting military jobs to civilian positions, but this must be managed correctly. In the absence of a clear process for making this happen, I am concerned that we might interrupt the flow of essential readiness-related goods and services. If we are not careful, we will also place unexpected burdens on our civilian workforce. Certainly, they will rise to the occasion, but we owe it to all of our people, both in uniform and civilians, to make sure this transition happens as smoothly as possible. I look forward to hearing our witnesses, their thoughts on what method they are going to use to identify positions ripe for migration from military to civilian staffing, and how they plan to implement the conversion.

Mr. Chairman, I look forward to this hearing today. There is so much to be learned about what is going on in the world and specifically on the role that you play, and I am very happy that you are with us today.

I thank you, Mr. Chairman.

Mr. HEFLEY. Thank you, Mr. Ortiz.

Let me introduce the witnesses and ask that they present their opening statements, and all of your submitted written statements will be part of the record, without objection. Hearing no objection, so ordered.

First, we have General George Casey, Vice Chief of Staff of the Army; Admiral Michael Mullen, Vice Chief of Naval Operations; General T. Michael Moseley, Vice Chief of Staff of the Air Force; and Lieutenant General Jan Huly, Deputy Commandant for Plans, Policy and Operations for the Marine Corps.

Let me say, and I don't think I need to say this, you all wear different uniforms, but you are on the same team. We wear a different uniform from you, but we are on your team, too. So we do not look at these hearings as adversarial proceedings, although we have an oversight role, but we look at them as opportunities for us to have candid and open discussions because we cannot do our part on the team unless we know the game plan. You are in the best position to give us the game plan.

So we need to know. All of us feel the same way about the troops, and you hear this over and over from us; and we hear it from you that the troops are doing a great job. But by golly, we do not want to send any of those troops out there to do that job if they are not properly trained and properly equipped. If we have shorted them on those kinds of things, then we are not doing our job. We are not playing our role on the team. You can tell us what it is you need, and we can do the best we can to see that you get what is needed for the defense of the country.

So General Casey, with that I will throw it open to you.

**STATEMENT OF GEN. GEORGE CASEY, VICE CHIEF OF STAFF,  
DEPARTMENT OF THE ARMY**

General CASEY. Thank you, Mr. Chairman. Chairman Ortiz, members of the committee, I appreciate the opportunity to appear before you today to discuss the Army's readiness and our plans to meet current worldwide commitments while we simultaneously transform to a more agile, versatile, joint and expeditionary force.

I thank the members of the committee for their continued support to the men and women in uniform, and our great civilians that make up our great Army. With over 320,000 soldiers deployed in 120 countries worldwide, the Army remains actively engaged in support of this nation's operational requirements. The vast majority of these troops are engaged in combat operations in the United States Central Command area of operation, and currently the equivalent of eight Army divisions is either deploying to or redeploying from overseas missions. This constitutes the largest deployment of U.S. forces since World War II.

Couple that with the mobilization of 150,000 combat-ready National Guard and Reserve soldiers, and you can see that this is an unprecedented moment in the Army's history. Today it is clearly not business as usual in your Army. Our commitments have highlighted stressors on our forces and the Army has embarked on a series of initiatives to reduce these stressors, to improve our capabilities, and to transform to a more joint and expeditionary force in this decade.

First, we are rebalancing some capabilities between the active and Reserve component forces to improve our strategic agility. We will reallocate about 100,000 positions to relieve the burden on the so-called low-density/high-demand forces such as military police.

Second, we are reorganizing our combat formations into modular brigade-based formations to make them more self-sufficient and to facilitate force packaging. We intend to increase the number of active component brigades from 33 to 43 by fiscal year 2007 and to convert our 34 National Guard brigades to the modular formations. This process has already begun with the Third Infantry Division in Fort Stewart, Georgia.

To do this, to increase these numbers of brigades, the President and the Secretary of Defense have approved our request to grow temporarily the Army by 30,000 positions above its statutory end-strength. We think this is the right plan and we ask for your support on this.

Third, we are initiating our force stabilization program to increase unit readiness, reduce personnel turbulence and make life more predictable for our soldiers, units and families. Under this program, units will form, train and stay together for roughly 36 months, enhancing unit cohesion and effectiveness. Soldiers will be assigned installations for six to seven years, instead of the normal three as we do today. We think this will improve predictability and allow them to grow roots in the community. Together, these efforts will yield an Army that has the right capabilities to respond rapidly and decisively to the challenges we will face in the future. While moving forward on these initiatives, we will also address areas of continuing interest and concern affecting our people and our infrastructure. This includes, first, providing our forces with



the right equipment for the missions of the global war on terrorism; second, reconstituting our equipment returning from Operations IRAQI FREEDOM (OIF) and ENDURING FREEDOM (OEF) through a rigorous long-range program we call Setting the Force; third, ensuring that our modernization efforts continue to bear fruit, as in the recent fielding and deployment to Iraq of our First Stryker Brigade and also our continued commitment to the future combat systems; fourth, providing our uniformed and civilian members the quality of life that is the equivalent of the society which they defend; and fifth, improving the quality of our installations.

Our commitment to current and future readiness is steadfast, even when this entails making difficult choices such as canceling the Comanche aircraft program. I will be happy to take more detailed questions about that later, but we would ask your support to continue to use the Comanche resources to fix Army aviation. The fiscal year 2005 budget will enable the Army to provide our combatant commanders with the requisite land power capabilities for the global war on terrorism, homeland defense and other worldwide commitments. It covers our baseline operations, the 15 critical systems in our recapitalization program, and our transformation program. It does not address the ongoing operations in Iraq and Afghanistan, or the recovery from those operations.

Your support of this budget and the war-related costs for our ongoing operations is critical if our units are to continue their remarkable performance and to be ready for future contingencies. We appreciate your support and your dedication to the sons and daughters of America, and we thank you very much for your support.

I look forward to taking your questions.

[The prepared statement of General Casey can be found in the Appendix on page 225.]

Mr. HEFLEY. Thank you, General Casey.

Admiral Mullen.

#### **STATEMENT OF ADM. MICHAEL G. MULLEN, VICE CHIEF OF NAVAL OPERATIONS, DEPARTMENT OF THE NAVY**

Admiral MULLEN. Mr. Chairman, good morning. Congressman Ortiz, other distinguished members of the subcommittee, I too greatly appreciate this opportunity to appear before you, along with my joint partners to discuss one of the most important topics to our military and the security of the nation, the state of current and future readiness of your Navy.

I would first like to report that the fiscal year 2004 supplemental funding that you provided last year has gone precisely where we said it was needed most. I am very grateful for that. Most shortfalls we had are being filled and the readiness gaps are, in large part, solved. The Navy could, in the very near future, rapidly surge up to six carrier strike groups within 30 days, and two more soon thereafter, what we call six-plus-two, as well as similar quantities of amphibious force shifts, providing options and significant combat capability for the President, just like that provided at the height of Operation IRAQI FREEDOM just one year ago.

This is the return on your readiness investment in the Navy. The Navy had some unplanned expenditures tied to the current movement of forces into Iraq in OIF II. I expect DOD to cover as much

of these costs as possible from resources managed centrally by the comptroller in DOD, such as the Iraqi Freedom Fund. While we continue to be forward deployed in support of OIF and OEF, our new employment initiatives have provided a more flexible, sustainable rotational force. That newly-organized force is still forward deployed, but now it is coupled with a significant surge-able combat-ready element in home waters.

My written testimony goes into some detail about our Fleet Response Plan, but the bottom line is that we have stabilized the force, and our new employment construct will allow us to repeat what we did a year ago later this year. We are producing the best readiness levels I have seen in my career.

We have also instituted other organizational changes to increase our current readiness and accelerate our advantages. Validating a new force-packaging concept, the Expeditionary Strike Group (ESG) I, returned from its initial deployment two days ago. ESGs combine Navy deep strike and Marine forcible entry capabilities and are a sign of the future. Portending new concepts of operations for ship-to-objective deep strike inland and the potential for significant near-covert operations executed from sea bases offshore, ESGs provide new, powerful and flexible options.

The Commander, Navy Installations, was established this year to centrally manage all shore installations, promote best practices development enterprise-wide, and increase efficiencies, saving approximately \$1.2 billion across the Five-Year Defense Plan (FYDP). For recapitalization and future readiness, we are executing initiatives totaling approximately \$40 billion and have identified \$12.4 billion in cost savings and requirements mitigation over the next five years to further our Sea Power 21 vision. Multi-year procurement contracts and economic order quantity purchases are already generating savings. I would point to the F-18E and F multi-year procurement contract which is expected to save us in excess of \$1 billion in the FYDP.

This past year also validates the strategic value of Sea Basing. During the opening hours of OIF, Sea Basing enabled a three-axis attack on Iraq. More recently, the Navy's Military Sealift Command, often the command that does not get the visible press, has moved over 9.8 million square feet of joint force cargo over the last six months in support of the largest force rotation since World War II. We will continue to budget the resources to make this a true national capability. Our vision is to support as much of the joint fighting force as required, when facing an anti-access environment, or host nation support is unavailable or overly restrictive, as has been the case recently.

Admiral Clark and I are confident that the Navy's fiscal year 2005 budget submission will provide the right readiness at the right cost for the right forces, as we continue to fight the global war on terrorism. Units are now maintaining extended periods of combat readiness to meet our Nation's needs, known and unknown, including those units who have just returned from deployments.

We have, however, taken some well-considered risk in this budget proposal as we balanced our efforts between current readiness, future readiness and the overall health of the Navy. There is no fat in the readiness accounts. I would like to draw your attention



to some potential challenges. There is little to no excess capacity in the ship repair industrial base. It is at full capacity and working overtime in most cases. Our fiscal year 2004 planned maintenance requirements modestly exceeded our full capacity, causing us again to defer some work into fiscal year 2005.

There is some risk associated with this lack of excess capacity and the ship industrial base must be very carefully managed if we are to sustain our ability to surge. We are doing that. The Fleet Response Plan to which I referred to earlier, and our continuous maintenance philosophy are mitigating some of this risk. We are not yet in the clear on the EA-6B Prowlers, the subject of critical concern last fall, which you funded. Wing center sections, outer wing panels, J-52 engines, all require attention to maintain a flyable inventory for the joint combatant commanders.

We are, with your support, meeting requirements and on track to have over 80 aircraft operational this summer, with a return to normal force levels just about a year later of this critical joint asset. P-3 aircraft on operational deployments are flying hard, expending their fatigue life at a higher than planned rate. In order to sustain the P-3 fleet until its replacement, what we call the MMA, multi-mission aircraft, is at its initial operational capability in about the 2012 time frame. We are working to provide the right number of aircraft to combatant commanders and managing the flying hours of non-deployed aircraft.

Through these efforts, we are balancing current readiness with an eye to future requirements. Within our current plan, we can meet the needs of both. New requirements for P-3s, however, would lead us to tough choices between the two. Stockpiles of precision-guided munitions are slightly below current requirements. The Navy has, however, programmed and funded PGM production; and we will see our stocks replenished by the end of this budget period.

Finally, I believe that encroachment on our training areas will not abate. Encroachment directly impacts current and certainly future readiness and the risk rises each time our forces enter combat with less than realistic training. I would ask for your continued leadership and support in resolving this challenge for the long-term health of the military services.

On the whole, you should be confident that we have provided the best budget possible based on what we know today. Readiness at any cost is also not acceptable. We have striven to reasonably spend the taxpayer's dollars to provide for a ready Navy. We believe that our readiness accounts are properly balanced and, outside of unforeseen changes in our obligations, on solid financial footing.

Mr. Chairman and distinguished members of this committee, in closing I would again like to express my great appreciation for your enduring and exceptional support. The Navy was, is and always will be a rotationally deployed force, providing joint combatant commanders with persistent combat and credible Navy power. The Navy is now providing a significant surge capability as well, thanks in great part to your readiness support. The nation's investment in the United States Navy is providing solid returns in the form of combat-ready forces. These dollars are well spent.



I thank you for your time here today and look forward to taking your questions.

[The prepared statement of Admiral Mullen can be found in the Appendix on page 235.]

Mr. HEFLEY. Thank you, Admiral Mullen.

General Moseley.

**STATEMENT OF GEN. T. MICHAEL MOSELEY, VICE CHIEF OF STAFF, DEPARTMENT OF THE AIR FORCE**

General MOSELEY. Chairman Hefley, Congressman Ortiz, distinguished committee members, thank you for this opportunity to appear this morning to present this year's state of readiness alongside my joint brothers. It is my privilege to report on our key programs; and on behalf of airmen stationed around the globe, I want to thank this committee for your continued focus on readiness and the challenges facing our airmen today.

The success of the Air Force around the world has been a testament to the dedication and professionalism of our people and your continued help. Last year, we asked for your help to increase funding for spare parts, depot maintenance and munitions programs. Trying to reconstitute our capabilities following Operation IRAQI FREEDOM, we needed increases to our flying hour training and general O&M funding. In both cases, this committee ensured America's sons and daughters had the resources they needed to accomplish the mission for the combatant commanders.

Today, the Global War on Terrorism imposes on our airmen the requirement to be ready for tomorrow's challenges, while adapting to the new steady state of operations in Operations NOBLE EAGLE (ONE), ENDURING FREEDOM and IRAQI FREEDOM. Every day, the total force team comprised of Air National Guard, Air Force Reserve airmen and active duty airmen have more than 50 aircraft dedicated to ONE at any one time. Halfway around the world, the Air Force maintains 24,000 airmen with over 200 aircraft to fly 250 sorties a day. Airmen in Iraq and Afghanistan will continue to defeat threats, aid stability operations and supply transport to the joint team.

Obviously, their Herculean efforts have paid off. However, they come at a cost. To defend America's skies, ONE operations cost approximately \$150 million per month. Abroad, operations in Afghanistan cost the Air Force roughly \$200 million per month. Twelve years of continuing patrolling the no-fly zones in Northern and Southern Iraq have cost us roughly \$67 million per month for that period of 12 years.

Besides the direct costs, there are also the second order costs as we move to re-set and reconstitute the force during combat operations. One such cost is the delay in re-setting the air expeditionary force. Last fall, I testified that we planned to return to pre-OIF rotational cycles by March of 2004. Unfortunately, we have only been able to return 90 percent of our force to that sustainable battle rhythm. With approximately one-third of our combat forces deployed, we now project that OEF, including its low-density and high-demand assets, will not be fully re-set until March of 2005, and that will get at that extra 10 percent.

Another cost is in reconstituting our capabilities. This year, we estimate our total cost to replenish all war reserve materiel (WRM) requirements at \$1.96 billion. From vehicles and base expeditionary airfield resources to field equipment and munitions, this level of funding will allow most of our capability to be reconstituted within the next 24 months.

Along with reconstituting, we must maintain overall readiness. Our 2005 readiness request ensures that we maintain ready to perform our wide-ranging global missions. Within that request is a fully-funded flying hour program that pays for considerable spare parts and fuel to sustain our required combat readiness; 1.7 million flying hours to maintain readiness and support joint ops, and a worldwide mobility operation to ensure joint and coalition forces have what they need when they need it.

This request comes at a time when our airmen are doing amazing things to maintain Air Force readiness, especially in combat. In fact, thanks to their hard work and proper funding, fleet consolidations and transformation initiatives, we hit many readiness milestones last year which are detailed in my written testimony. One of the biggest measures of merit was the fact that 14 of 20 major weapons systems saw improved in-commission rates at a time when we were flying more hours. A portion of those successes can be attributed to our Warrior class depots; but this, too, comes at a cost. The Air Force continues to invest in making depots more efficient to increase the total number of aircraft available to the war fighter.

For 2005, we have increased depot purchased equipment maintenance funding to \$3.7 billion, but our depots can only do so much. Although in-commission rates were up during OIF, aging aircraft issues continue to present us with the problem of fewer assets being available at ever-increasing cost. We must begin to modernize our fleet. Today, our average fleet has approximately 23 years of service. Some like our Eisenhower-era KC-135s average as much as 43 years in service, with the oldest aircraft still flying being a KC-135 that was delivered on 28 October 1957. Mr. Chairman, these and our other aging aircraft are vulnerable to a myriad of problems including technical surprises, vanishing vendors, and increased operational costs. In addition to platforms, we must address our support systems and growing infrastructure deficiencies such as deteriorated airfields, hangars, water lines and electrical networks. Our investment strategy across this entire spectrum is more than \$4.8 billion in 2005. As the air component commander for the last two U.S. military conflicts, it was ever clear to me that the strength of our forces resides in the power, integrity and readiness of our people. The 700,000 men and women of our total force, active duty, Guard, Reserve and our civilians, are the best America has to offer. There is no better investment than our people. They are our number one weapons system.

Mr. Chairman, we are sustaining our personal readiness rates in face of higher optempo, skill shortages and reduced training opportunities. To maintain readiness, we must continue to focus on recruiting, training, force shaping, retention and our total force. Our number one challenge is adapting to the new steady state. While we believe we have the right number of airmen, the mix of skill



sets, the ratio of military, civilian and contractors needs to be adjusted. We are in the process of shifting manpower, realizing personnel, hiring additional civilians and contractors, and investing in technology to free military members to focus on military duties.

Sir, in closing, the greatest testament to Air Force readiness is our continued success in projecting power around the globe and protecting America and her allies from potential enemies. Clearly, our airmen, as part of the most combat-effective joint team, have excelled. When called, we are ready, ready to strike or project power, or to support the joint team anywhere on the earth. Lethal and responsive, America's airmen are ready to act whenever and wherever they are called.

Mr. Chairman, Congressman Ortiz, thank you again for your support and I welcome the opportunity to answer any questions you have.

[The prepared statement of General Moseley can be found in the Appendix on page 261.]

Mr. HEFLEY. Thank you, General Moseley.

General Huly.

#### **STATEMENT OF LT. GEN. JAN HULY, DEPUTY COMMANDANT FOR PLANS, POLICY AND OPERATIONS, UNITED STATES MARINE CORPS**

General HULY. Chairman Hefley, Congressman Ortiz, distinguished members of the committee, I am really proud and honored to be here representing the 215,000 active duty and Reserve Marines serving in our corps today. Thank you for allowing me to present my statement.

The message I bring you is that your Marine Corps is set and ready to continue our role in protecting the security and interests of our nation with forward-deployed expeditionary naval forces. Currently, we are in the process of deploying 25,000 combat-ready Marines and sailors to Iraq and supporting contingency operations in Haiti, Afghanistan and the Horn of Africa.

Today, we have over 55,000 Marines forward deployed in stations worldwide. Our Reserve units and individuals are combat-ready and have rapidly integrated with the active force, demonstrating the effectiveness of your Marine Corps total force. Through careful maintenance management, our material readiness has shown steady improvement. Owing to our commitment to quality of life, recruiting and retention programs, our personnel readiness remains high. Our training remains challenging and focused to the tasks at hand. Other than sustaining our current operations, our single greatest concern now and as we look beyond Operation IRAQI FREEDOM II, is maintaining the readiness of the force. In closing, let me say that you have every reason to be proud of the contributions and sacrifices of the women and men of your Marine Corps and the families that support them, and to be confident in their continued success.

Sir, your reference earlier to the different uniforms that we wear reminds me in the summer when I watch the all-star team take the field, it presents pretty much an unbeatable team. I would like to think that when we as the services take the field in our different



uniforms, we too, be it in either training or combat, represent an all-star winning team that no one can beat.

Thank you for the opportunity to present and represent the United States Marine Corps on that all-star team today.

[The prepared statement of General Huly can be found in the Appendix on page 283.]

Mr. HEFLEY. General Huly, I think that your last statement is very, very true. It has not always been that way. There used to be a lot more competition between the services, and everybody had to have their own thing. I am very encouraged by the direction we are moving here.

General CASEY, one statement you made I think hit home with me and Congressman Ortiz and Congressman Snyder, who have been involved a long time in the MILCON business, when you said that your goal is to provide a quality of life commensurate with the society that they defend. That has not always been that way, either. But we asked people who wear our uniform to make a lot of sacrifices that we cannot help. It is just kind of the nature of the business, but things we can help, we ought to be busy helping. They should not make unnecessary sacrifices. We should provide a decent quality of life for people who dedicate themselves to defending their country.

General CASEY. Mr. Chairman, could I just comment on the Residential Communities (RCI) Initiative we have to improve the quality of housing? I think you might have visited some of those places out at Fort Carson.

Mr. HEFLEY. Oh, yes.

General CASEY. For about a \$200 million investment, we are getting private capital investment to the tune of about \$3.6 billion. We are able to renovate about 70 percent of all Army family housing. That is a really, really significant increase there, and we are very, very happy with that.

Mr. HEFLEY. I know that the soldiers at Carson and everywhere I go, soldiers, sailors, airmen, wherever it is being done, seem to be really pleased with it. In fact when we cut the ribbon out at Fort Carson on some of those new houses, some of these soldiers's wives just could not believe they were moving into Army housing. That is what we want to do.

Congressman Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

Your statement, General Casey, we are working on two divisions for the Army and a division for the Marines, but you mentioned something about bringing them temporarily. Maybe you can expand a little bit on what "temporarily" really means when we talk about those 30,000 soldiers.

General CASEY. Thank you very much, Congressman Ortiz. As I mentioned, there are stressers on the force right now, and we know we need to generate additional combat power. We believe that combat power that we need is best generated in the form of modular brigades, not divisions. Modular brigades are the design of the future combat systems. So we believe that we ought to use the opportunity of the re-set of the forces coming back from Iraq and Afghanistan and use the fact that they are already in a situation where they need significant work to bring them back up to speed.

We need to take advantage of this opportunity and re-set them how we want them to be for the future. That is the first point.

The second point is, we know that we have structure within the Army, Cold War structure that we no longer need right now, artillery, air defense, armor, the logistics units that support those types of organizations. We cannot get that force structure taken down fast enough to give us the headroom we need to build the brigades now when we need them. We want to build these brigades and use them to put into the rotation for Iraq to lessen the burden on the rest of the force.

So we have a situation where we need the combat power now, but we cannot get the other force structure out fast enough. So we have asked to exceed our end-strength to 2007 while we look for these efficiencies, but build the brigades, take the efficiencies out so somewhere after 2007 we will settle down into an end-strength of about where we are today and have a more capable force for the future. That is the essence of this.

Mr. ORTIZ. But still we are talking about 30,000 individuals, 30,000 soldiers.

General CASEY. Up to 30,000.

Mr. ORTIZ. Do you think you can get them through your regular recruitment to come up with the 30,000?

General CASEY. It will be a combination of recruitment and retention, and we will gradually ramp up our recruitment and increase our retention ramps here, but a combination of that will build up to 30,000 and then take out spaces and bring ourselves back down to about 48,000 which is where we are now.

Mr. ORTIZ. Of course, you will have to wait for the funding to come, but how soon can you implement?

General CASEY. We believe that we will be able to pay for the majority of this out of the war-related funding in 2005. We have about a \$2.4 billion bill in 2005. We are started on this now, with the Third Infantry Division in Fort Stewart, Georgia, and we will begin two more infantry brigades later this year; one in the 10th Mountain Division and one in the 101st Airborne Division.

Mr. ORTIZ. This is a question for everybody. We talk about that unfunded requirements list that is submitted. I think that this committee, and at least myself, I would rather see something put in the budget as to how much money we need, instead of depending on supplementals, because we never know whether those supplementals will come through; whether they will come in timely. I would like to see all these unfunded requirements put in a budget instead of doing supplementals. Maybe all of you can expand on that.

I know that some others worked with you on preparing this budget, but I would like to see, Mr. Chairman, a request on the budget so that not only are we in a better position to where we can help you, but the American people will be also more knowledgeable as to how we are spending this money, because we go from supplemental to supplemental, plus the Presidential budget, plus what we include. That is what I would like to see.

General CASEY. We have a plan that we have laid out over the next five years in very good detail. We have shared it with some of the staff already and I believe some of the members. We are



more than happy to come over and lay that out for everyone. I would be happy to do that for you, Congressman.

Mr. ORTIZ. Thank you. Would anybody like to touch on that?

Admiral MULLEN. Yes, sir. I will take a crack at it. From the Navy's perspective, and this is also part of our history, we have typically funded significant amounts of operational time in our budget on a routine basis. We are able to because we are rotational and because we are out and about, as Admiral Clark likes to say, in lots of places, we are able to respond to a certain degree with the funds that are regularly provided.

That said, when we have a big surge like we did a year ago that was not planned for, clearly we are as dependent as anybody else on supplemental funds to make that. What is very challenging is estimating what those are going to be in terms of providing for the unknown out there. Having spent the last couple of years in the budget world and dealing with all the supplementals and the main budgets, that challenge of estimation, it really is a significant one.

One of the questions, I think, Mr. Chairman you asked in your opening comments was, in 2005, when would we need it? Clearly, just given the normal cycle and timing around here, we probably need a 2005 supplemental in about the springtime frame just in order to be able to execute it some time in 2005. But predicting what that would be for the Navy right now would be very, very difficult.

I have some challenges I indicated that were unexpected with the Marine Corps movement right now to the tune of about \$700 million. Those are the challenges I am working with OSD right now to try to resource out of the funds that have already been provided in the supplemental. We are working our way through that.

Mr. ORTIZ. Anybody else?

General MOSELEY. Yes, Mr. Ortiz, let me piggyback on my colleagues.

The predictive ability looking ahead for us is limited. We can tell you what we are spending, what are spend rates are right now, and that is about \$815 million per month with the global war on terrorism, the breakouts for Iraq, for Afghanistan and for Operation NOBLE EAGLE. That is \$465 million for Iraq, \$200 million for Afghanistan and \$150 million for Operation NOBLE EAGLE. We can tell you, as I have in my opening remarks, that we have spent about \$67 million per month for 12 years doing Operation SOUTHERN WATCH and NORTHERN WATCH, for a tune of about \$12 billion over the 12 years that we were deployed for that.

About the most stable prediction that we have for 2005 is our Operation NOBLE EAGLE funding which has been stabilized. But sir, beyond that I am not sure we could give you a good number projecting the challenges in Afghanistan and Iraq, which takes us back to the dilemma of being able to program an unknown set of unknowns.

Mr. ORTIZ. Thank you, General.

General Huly.

General HULY. Sir, just two quick anecdotal observations. Last October, the Marine Corps had no idea that it would be participating in Operation IRAQI FREEDOM. Today, I have 25,000 Marines and sailors forward deployed to that arena that we were not ex-



pecting. Two-and-a-half weeks ago, we were not expecting to have 1,500-plus Marines in Haiti conducting operations today. With uncertainties like that, it is just very difficult for us to predict what our future expenditures are going to be.

Mr. ORTIZ. Thank you very much. I think that we are going to be involved in these different areas for a long time to come, especially Iraq and Afghanistan. I thank you so much and Mr. Chairman, my time is up. Thank you so much.

Mr. HEFLEY. Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

Gentlemen, first of all let me not miss the opportunity to thank you all for the jobs you are doing on behalf of all my constituents in southeastern Virginia. They always tell me when I see them how proud they are of our military men and women in uniform, and I just thank you for that job.

General Casey, I appreciate your comments on housing, especially from the troops that I have talked to at Fort Lee who are just excited about the direction that they see housing moving in there. I would like to ask you a question. Last week, one of our witnesses in response to a question I asked about Army logistics, praised the great work that the Army logistic troops are doing in Operation IRAQI FREEDOM. It is true that they are doing great things, but the Army Quartermaster Corps has been doing this exceptional work with less than the optimal number of troops. I was pleased to learn from the Army news release dated February 2 that the Army will begin, in fiscal year 2005, to convert many positions in less-utilized units to positions in quartermaster units. I was wondering if you could just elaborate on this conversion a little bit for us today.

General CASEY. As I mentioned in my opening statement, Congressman, we have done some analysis, looked at low density/high demand specialties where we keep going to the well every time we need them and send them the same troops back. There are some of the quartermaster specialties that fall into that category.

The second thing that we have done is we have looked at the first 30 days of a contingency. Using guidance that we received from the Secretary of Defense, we want to make sure that we do not have to rely significantly on the Reserve component forces to be able to do that. So we are transferring some of those logistical specialties, again some of which are quartermaster, so that we can get there, open the ports and airports quickly, and then receive the force and flow them into the fight. So those are the two major things that we are doing that would yield some savings or some additions to the quartermaster branch.

If I could make one more point, as we look at this, we really see the future of logistics at the theater level as joint-theater logistics. So we are working very closely. The logisticians of all our services are working very closely with the J-4 on looking at joint theater logistical architecture and logistical concepts for the joint force. We think that will be a major advance that will benefit all of the services.

Mr. FORBES. General, in response to your comments about the Reserves, the Army did a fantastic job of deploying active, Guard and Reserve units for service in Operation IRAQI FREEDOM. I

know the power support platforms, the power projection platforms, especially on the East Coast, that strategically deployed those units did an exceptional job. One question I would have is, do you feel that we are going to need to do anything in terms of modernization of any of those installations to continue that type of deployment activity in the future? If so, is that taken care of in the fiscal year 2005 budget at all?

General CASEY. The short answer is yes, Congressman, we do. We believe that we have to significantly adapt our mobilization processes and also our infrastructure because what we are asking our Guard and Reserve components members to do is really fundamentally different than we thought we would be asking them to do during the Cold War. Instead of a mobilization system where you throw the switch and it all comes into gear and it just starts cranking out large formations to go off to fight Soviet hordes, we are now into a fairly sustained level of mobilization.

So yes, we do need to improve our power projection platforms and facilities. To do that, we have some money in the 2005 budget toward that, but we have in our mind to try to gain some economies of scale by focusing on somewhere between nine and twelve centers across the United States, and then focus our resources on those particular centers; and we are not quite finished doing that yet.

Mr. FORBES. Thank you, Mr. Chairman.

Mr. HEFLEY. Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

I wanted to ask General Moseley, in your written statement, it may be that I do not understand. Well it probably is; this is a statement and a question I am asking out of ignorance. You used the phrase "mission capable rates" and then a couple of pages later you talk about "readiness rates." Are those different measures of the same thing, or do they refer to the same thing?

General MOSELEY. The same thing, sir. "In commission" rates mean what we have in commission at any one time. "Available rates," though, are different because those are the things that are not in depot status.

Dr. SNYDER. On page 13, I wanted to ask, I do not understand this chart on page 13. Maybe you can help me with that. On the tankers, the readiness rate you consider to be 86 percent, so that is the same as saying the mission capable rate of 86 percent?

General MOSELEY. Yes, sir. On any one time, on average, we have about one-third of the fleet that is not available for use. So we have about 86 percent of the fleet out there on any given day. In fact, I can give you today's rates; but we are talking, the MC rates or the percentage of the fleet that is capable of flying—

Dr. SNYDER. Is 86 percent.

General MOSELEY. Yes, sir.

Dr. SNYDER. You said one-third is not capable, but that is only about 15 percent, is it not?

General MOSELEY. Yes, sir. But as we look at snapshots in time to give you the data that we have now, not the trend data over the last 10 years or so.

Dr. SNYDER. So this was current readiness rates as of, so that was a snapshot on February 15?

General MOSELEY. Yes, sir. If you would allow me, let me get you the exact timeline from our maintenance people and the exact date.

Dr. SNYDER. Then I do not understand these arrows that are out at the side on that chart.

General MOSELEY. Sir, those are the trend data. That is the trend data for that portion of the fleet over time, for intelligence, surveillance and reconnaissance (ISR), for special ops, command and control, et cetera.

Dr. SNYDER. So for example, take fighters. It says 69 percent, down 7 percent, but then the arrow goes up.

General MOSELEY. As we work the depot problems and we have readiness and sustainment enhancement in budgeting, we were able to work that. We are trying to paint the picture of maintaining an aging fleet with what we have to keep them current and on line at any one time.

Dr. SNYDER. All right. I think that the thing that struck me on that, what you are calling a snapshot, is there has been a lot of discussion by the Air Force in this town about tankers and what we are going to do about them. But the snapshot, the best performer there were your tankers.

General MOSELEY. Yes, sir. With your help, we have put over \$60 million into the depot at Oklahoma City and to the operations at San Antonio and at Birmingham to address that tanker problem with that fleet being 43 years old.

Dr. SNYDER. I understand. I guess I am still confused by these numbers. Maybe I should not do it here, but when we talk about a current fiscal year 2004 bomber fleet rate that stands at 71.4 percent and the tanker fleet rate at 77.8 percent, so what is a current fiscal year 2004 rate? Is that an aggregate over one year? That is not a snapshot.

General MOSELEY. That is an aggregate, sir.

Dr. SNYDER. And we are still in fiscal year 2004, so have you averaged them out every day of the fiscal year 2004? Is that how you get at that rate?

General MOSELEY. Sir, we do. We track that every day with cumulative returns from the major commands to the headquarters on where we are on any given day.

Dr. SNYDER. So on page 11 it says that the current fiscal year 2004 tanker fleet rate is at 77.8 percent, but then I look at your snapshot over here and it says the tanker rate is 86 percent on February 15. So you had a good run of two or three months in terms of getting the tankers up and flying.

General MOSELEY. Actually, sir, we have had a good run for about two years because of the money we have put into the depot and, with the help of the committee, the replenishment spares for those airplanes. But even at the peak of that, we are still below the trend line over a 10-year period, which is trending down on MC rates.

Dr. SNYDER. I see.

General MOSELEY. And even with that peak, we are still below the mobility command standard for expected MC rates or in-commission rates.

Dr. SNYDER. For tankers?

General MOSELEY. Yes, sir.



Dr. SNYDER. I wanted to ask Admiral Mullen, in your closing oral statement, you used the phrase "unforeseen changes" coming up. The discussion you were having about the budget and supplementals, is that what you were referring to, that one of the unforeseen changes will be the timing of the supplemental and when it will occur, and how much money it will be?

Admiral MULLEN. There certainly has been a lot of discussion about a supplemental after the election, in early calendar year 2005. My very specific comment with respect to that was, in order for me to execute it in a meaningful way in 2005, literally having money in hand in the spring is about the time I would need it in order to reasonably execute it for the rest of the year.

Dr. SNYDER. The spring of 2005?

Admiral MULLEN. Yes, sir.

Dr. SNYDER. So you would need it in April of 2005, not just being passed in 2005, but you need to have money in hand.

Admiral MULLEN. Money in hand. I know, given the calendar, that is a challenge.

Dr. SNYDER. Difficult, yes.

Admiral MULLEN. Because I am halfway through the fiscal year, obviously, at that point. What the specifics of it would be, the amount, what it would be for, those are the unknowns at this point with respect to the Navy as far as predicting what we would need it for and how much it would be.

Dr. SNYDER. Thank you.

Thank you, Mr. Chairman.

General CASEY. Congressman, if I could, the Army is closer to March. We will need it in March for the operations and maintenance.

Mr. HEFLEY. Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman, and thank you to all of you. I greatly appreciate your service and I know that all the Members do.

The heart of a lot of the work that we do across the services deals with depot maintenance. I wonder, is it possible, and I do not want you to have to oversimplify, to characterize or quantify the backlog in depot maintenance now and what you anticipate for 2005?

General CASEY. I will start off. We have funded our depot maintenance at what we think are about 82 percent of our requirements. What that means is that we have vehicles that are of a sufficient mileage level and are sufficiently worn out that if we had all the money in the world, we would put those in there.

That said, we believe that between what we have put in the 2005 budget and what we expect to get for the war-related costs in 2005, we will have all of the depots fully work-loaded for 2005.

Admiral MULLEN. From the ship's standpoint, ma'am, as you know we have loaded our depot. We did it as quickly as we possibly could with our industrial base—as quickly as we could coming out of IRAQI FREEDOM. It has been full. I spoke briefly of that in my opening statement. From a backlog standpoint, there are really two factors. One is, because of the readiness investment over the last several years, it is significantly down from what it was three and four years ago. We have not eliminated it. We estimated on the

order of about \$150 million right now, which again is a significant reduction.

The worry about that is, back to having the right amount of money to do it, is we dug ourselves out of that hole because of your support over the recent years, and that is the place typically we would go if we were not able to otherwise come up with the resources to support the requirement. And when you start digging in those holes, it just becomes a very negative cycle from which it is extremely difficult to recover.

So we are in pretty good shape right now. We would like to try to stay there, not just to maintain the ships that we have in terms of where we are right now, but also to forego digging ourselves into a hole in the future.

Ms. DAVIS OF CALIFORNIA. Yes. And maybe just to tag on to that, because in reference to what you mentioned in terms of 2005, of the 80 percent perhaps for the Army, should that be an expenditure that is included within the budget, as opposed to anticipating the supplemental? I know, again, predicting is a difficult thing to do, but is there a ratio that is acceptable in terms of what we anticipate, what you would expect in the budget to keep that at a reasonable level, versus the supplemental?

General CASEY. If I could on that, as you know, we constantly make decisions about balancing risk between the current and the future; and really the work that we do in the depots is about the future and preserving the equipment for the long haul. We believe that we are at about the right point here, the risks that we are accepting by not putting those vehicles into the system right now. It is acceptable at the current time.

Admiral MULLEN. I am about 97 percent on ships and about 99 percent on aircraft right now in terms of depot maintenance. So again, I am in pretty good shape. Assuming we continue through this year, we will have the ships ready to go as we did a year ago, very shortly.

General MOSELEY. Ma'am, let me only add the Air Force-unique part of that. We are managing an aging fleet. You have heard my chief and secretary over time say that since Orville and Wilbur flew in 1903, we have never operated a fleet this old. So the challenge of maintaining this fleet and balancing that risk with our depots is serious work for us.

Last year, we had \$3.3 billion in the budget for the depots. This year, we have \$3.7 billion; and we are funding it at that same risk level. We asked our major commanders to assess that risk and balance that expenditure so we can get fewer number of days in depot, while still maintaining fleet availability.

So that is the challenge for us. Several issues come to play at once, an aging fleet, the \$3.7 billion we have, and the outstanding workforce at our depots who have done heroic work in the surge over the last two years, by the way, to get some of the key enablers down below 300 days in-depot status, to include the tankers and some of the other enabling platforms. So I would echo what my joint brothers have said.

Ms. DAVIS OF CALIFORNIA. Thank you. Is there a figure that is fair to use in terms of percentages?

General MOSELEY. Ma'am, we would have to break that down by each aircraft type, because they are all different parts of the tribe with different challenges, whether they are B-52s or KC-135s or Rivet Joints or fighters. Our desire is to get them out of the depot as fast as we possibly can; but with some of the aging platforms, the depot experts are having to manufacture parts, as opposed to just program depot maintenance, which is a bit of a challenge for us.

Ms. DAVIS OF CALIFORNIA. I understand. Thank you.

General Huly.

General HULY. Ma'am, we have not postponed any depot-level maintenance in the Marine Corps. We have increased our work hours, our overtime hours by 15 percent this last year or during this year. We have just recently added a second shift down at Albany to our depot maintenance. It is a matter for us of striking a delicate balance of what we need to do to keep our depot maintenance going, and then respond to emerging needs for what we have. This year, we have allocated \$71 million for this fiscal year for our depot maintenance.

Ms. DAVIS OF CALIFORNIA. Thank you.

Thank you, Mr. Chairman. I was going to ask about homeland security and the interface with agencies within communities in which you work, and again if there is I guess a way to quantify the impact that that is having on the services. Perhaps someone else can pick up on that question if they are interested.

Thank you, Mr. Chairman.

Mr. HEFLEY. Thank you.

Mr. Hayes.

Mr. HAYES. Has anybody asked about Fort Bragg yet, Mr. Chairman?

Mr. HEFLEY. General Casey, you have to tell him whether you are going to close Bragg or not. He is in a nervous twitch. [Laughter.]

Mr. HAYES. I want to make sure that Polk and Bragg are at the top of the list here.

A question for you, you have done an admirable job of preparing a list of unfunded requirements. I have a minutiae question for the Army. The Marines worry about socks and T-shirts. I am not sure the Army guys have got the best in the business, and I might take a look at that.

All joking aside, in this list, there is no direct addressing the problem which is historical in nature, that anytime you are underfunded, the first place to go is the Sustainment, Restoration and Modernization (SRM) account in order to equip the soldiers. That problem exists. It is getting worse. How do we address that going forward as we try to fund these unfunded requirements? Anybody?

General CASEY. I am not quite sure what list of unfunded requirements you are looking at, Congressman.

Mr. HAYES. Maintenance, leaky roofs, those kinds of things.

General CASEY. Okay, installations.

Mr. HAYES. They do not get fixed when the money is short. That is how you all manage to do your job when we do not do ours. How are we addressing that and the unfunded list?



General CASEY. In the Army, Congressman, we have funded SRM at 95 percent of the requirements. We are gradually making improvements on the basis, because of the commitment—

Mr. HAYES. I am giving you the chance to put us on the spot, not you. [Laughter.]

I am trying to lead you down the right path here.

General CASEY. Congressman, I understand. We have looked very closely at this and I think you have seen a concerted effort by the Army over the past several years to fully fund the SRM and we are close to doing that this year.

Mr. HAYES. Okay. Well, we still have some major gaps there and I want you to include that in the unfunded requirements, because the longer it goes unaddressed, the more expensive it becomes when we have to go to the paymaster eventually to deal with that.

I notice the Marine Corps, General Huly, there are some MILCON requests. Does the Marine Corps participate in the RCI program for family housing that the Army is doing successfully now?

General HULY. The RCI program, sir?

Mr. HAYES. The Residential Community Initiative, where outside contractors come in and provide the majority of the money?

General HULY. Yes, sir, we do. We call it the public-private venture. I believe that is the same program. Yes, sir, we do and we are attaining a great deal of success. I think the most recent figure I saw is we have some 7,000 units that are currently under contract with public-private ventures.

Mr. HAYES. Good.

General HULY. We are finding a great deal of success with that, sir.

Mr. HAYES. Great.

General MOSELEY, if I can find this question, I think I know the answer, but you talk about mission-capable rates are up, cannibalization rates are down, which is good. And on page 13, we still show a downward trend in readiness. What do we need to fix the problem on page 13? I know the airplanes would help.

General MOSELEY. Sir, with this committee's help and others in Congress, the President's budget does address that with new buys of the FA-22s. We do have in the FYDP \$150 million in 2006 and over \$4 billion in the FYDP for a new tanker, the KCX. With the Congress's help, we are addressing the tanker problem. We fully support the OSD commitment to recapitalization of that. We fully support this AOA (amphibious objectives area) study. We fully support the pause to look at the lease, so the tanker business is being addressed, I believe, in the right way.

We have over the last three weeks discussed the notion of enhancements to long-range strike, which gets us to modernization and the full interoperability with the B-2. With the committee's help, we are looking at bringing seven of the remaining B-1s back to give us a higher attrition reserve, to give us 67 B-1s. We are looking at enhancements to the B-52 and all bombers to get them into the network with Link-16 in the data link.

The secretary and General Jumper at the Air Force Association addressed the notion of perhaps a bridge aircraft, something like an FB-22 that will get us a manned platform, much more surviv-

able and capable, with low observable characteristics. We have had 24 bomber studies ongoing at once. We have jelled those down into two offices, one at Air Combat Command and one at Air Force Material Command, to look at the long-range requirement out beyond 2025.

We have looked at the enhancements to our sensor capability. The chief in his testimony has talked about the E-10, which will be potentially a combination of AWACS, Joint Surveillance Target Attach Radar System (JSTARS), Rivet Joint, Compass Call, and what used to be called ABCCC (Airborne Battlefield Command and Control Center).

So with the committee's help and leadership, we are addressing an aging fleet, which gets us back to the depot question and MC rates and availability rates on a fleet that we have never operated as old as this.

Mr. HAYES. Thank you, sir.

Mr. Chairman, could you indulge me for one more question?

Mr. HEFLEY. Sure.

Mr. HAYES. I have saved the easiest one for last. The military has done a great job of accomplishing jointness, seamless integration of forces. Now we have a new department. It is called Homeland Security. If you dare, talk to me about the competition for money for defense versus, in my opinion, money that ought to be on offense, in terms of money we are building walls that anybody can scale, we are taking money that could be put in a war-fighter's hand to track down and eliminate the bad guy. Would anybody like to comment briefly on that?

General CASEY. I think that is above our level, Congressman.

Mr. HAYES. Good answer. I just want you to know it is on my mind and we can help work with that. I think that would be better utilization of hard-earned taxpayer funds.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Bishop?

Mr. BISHOP. Thank you.

General MOSELEY, I have two questions I would like to ask, if possible. I, along with a lot of people, was very happy and pleased to see the significant amount of funding in this year's request for depot maintenance. Actually, it is three questions. The first one is, do you prefer "depot" or "depot"?

General MOSELEY. Sir, I am from Texas. I guess I could go either way. "Depot" just kind of rolls off the tongue easier.

Mr. BISHOP. Thank you. That is what I have been saying, too. All right. That is the first one. Great. But with depot modernization, especially at the Airlift Command Centers (ALCs), they have assured their capacity to maintain their commitment at least par with, actually exceeding what the private sector can do, and maintain that surge capability intact. The question I have is, the department, or especially the Air Force's level of commitment to that modernization effort in the out-years, are we going to see that same kind of similar boost to modernization next year, or is this a one-time shot?

General MOSELEY. No, sir. This is a commitment to our depots, all three of them, to ensure that we can continue to produce the right airplane at the right time for our crews.

Mr. BISHOP. The third question, then, is with increasing pressures coming from some sectors, sometimes almost on a private agenda, how important is it to ensuring readiness, that the Air Force retain a core depot maintenance capability in-house?

General MOSELEY. Sir, we are committed to that core capability, but I would also add that our partnership with industry has actually helped that core capability. There is, in some cases, a partnership that is transcended beyond just the business case. In middle Georgia, we have also partnered with the vocational schools there to look at backfills for civilians, to look at tradesmen, to look at training people, educating people, so that we can use them in the workforce. So this partnership has been useful for us across a couple of venues.

Mr. BISHOP. Mr. Chairman, if I may have indulgence for just one minute. General, I have recognized that as well, and I wanted to commend what you were doing, especially with Air Logistics Centers (ALCs), which I have visited, on the partnership effort. The ability to bring the private sector onto the base brings the best of both worlds together. I think it has been a very positive impact on the turnaround rates, especially the last time I was able to be at Hill, and recognized the team reorganization effort, the Lean program you are going through. It was exciting to see the amount of use time that is being reduced in maintenance, repairs and turnaround.

I told General McMahan at the time, he could have ordered his employees to be happy and excited, but unless they were the greatest thespians in the world, they could not have masked the real energy that they are bringing into their jobs. It is a great workforce. I think your Lean concept has revitalized them. I am very positive about what you are doing in the depot system here, and I thank you for that, general.

General MOSELEY. Thank you, sir.

Mr. BISHOP. I am done, Mr. Chairman.

Mr. HEFLEY. Mr. Larsen?

Mr. LARSEN. Thank you, Mr. Chairman. I apologize for being late, but I understand a few of the questions I have not been asked, and they are mainly directed toward Admiral Mullen regarding the Fleet Response Plan and how the O&M budgets fit into that. The FRP shortens O&M time for carriers, from my understanding of this. I was wondering how the O&M budgets in the 2005 request fit with the FRP, what kind of changes you have made to accommodate the new maintenance cycles.

Admiral MULLEN. The Fleet Response Plan is designed to be budget neutral. So clearly our goal is to build readiness over a much broader part of our force within the resources that we have available. There are really two aspects of that. One is, and you specifically talked about O&M cycles being shortened, there are several initiatives to try to make sure we do the right maintenance at the right time. There will be times, our history is when you bring a ship back from deployment, we have a tendency to tear it apart and build it all back up. Yet the ship was running probably as well as it ever has been the day before you get back. So we want to do the kind of maintenance we need to do when we need to do it,



which will require light maintenance on occasion and deep maintenance on occasion. We recognize that.

Taking all of that into consideration, we want to maintain a higher level of readiness across the full spectrum, including when ships return, they immediately become part of the surge force, if you will, and then build readiness at various levels throughout the cycle as they get ready to deploy on what is a nominal or notional regular deployment cycle. That is the concept piece of this.

We have also taken significant initiatives in trying to mitigate the risk with the resources we are provided to figure out a better way to do business, in terms of how we are going to expend those dollars. So we have asked those in the Navy who are executing those dollars to assess risk, and talk to certainly those of us in the leadership positions, and figure out in many ways a better, more effective and efficient way to do it.

So it is a resource that we are trying to quite frankly cap readiness growth, build the readiness in this new concept, and be able to provide what is nominally about a 50 percent more capable force on any given day in terms of its readiness.

Mr. LARSEN. Are you confident? You have just started implementing the FRP. Are you confident you can stay budget-neutral, or are you just going to shoehorn budget neutrality, make it budget neutral?

Admiral MULLEN. I am probably somewhere in between. We have worked this very hard in terms of its initial implementation. This is the first year of it, so certainly there are some unknowns that we are going to come across. But we are very committed to it. We are not just trying to make it happen on demand. We have really tried to look at exactly what it is going to take to make it happen. As an example, two of the ships that just surged to take the Marines over, the BOXER and the BATAAN, very recently had returned; and they have had a number of deployments in recent years. That is an example of the kind of readiness that we are trying to sustain over a much longer period of time.

At the same time, we are not trying to classically just put wedges, what we call in comptroller-speak into it, and say go figure it out. So there is a lot of interaction to try to make sure we understand it and make it work. We have a great deal of confidence that we will be able to proceed this way.

Mr. LARSEN. I think you are on the right track. At least you have convinced me, the Navy has convinced me, of why a Fleet Response Plan is necessary in today's environment. I just want to do my job to ask these questions to be sure they are getting asked. I certainly look forward to hearing back next year, if not sooner than that, on the progress of the implementation and on whether or not you can stay underneath that cap.

Admiral MULLEN. Yes, sir.

Mr. LARSEN. So I do look forward to hearing back from you on that and to see what we can do to help out. Thanks.

Thank you, Mr. Chairman.

Mr. HEFLEY. The services have testified over the years that aging platforms cost more to maintain, and yet there seems to be some evidence that suggests that the newer platforms actually are costing more to maintain than the legacy systems because of their level

of sophistication. Would you all speak to that? How accurate is that?

General MOSELEY. Sir, I think perhaps I could address that first for you. A good example is our low-observable or our Stealth fleet. The F-117 was the first of those that we fielded, and we fielded that with emerging technologies in the late 1970's and the early 1980's. We find that it is increasingly more difficult to keep that airplane completely in commission because of its skin and because of the low-observable treatment.

The B-2 is a much later low-observable platform. In fact, the skin of it is much easier to maintain than the F-117. As we look at the F-22, we see the low-observable applications of it are much easier. So even though the F-117 is a newer platform than some of the other aging systems, it does cost more and it does take more time because of the particular treatment of the airplane and its characteristics.

The F-22, one of the performance prerequisites for it is that it would be easier to maintain in the field than any of the other previous low-observable platforms. It is proving to be that. There are still challenges with that, but it is proving to be much easier to deal with than the B-2 or the F-117.

So there is a point in time for you. Those airplanes are more difficult to maintain than an F-15 or an F-16, only because of the technology applications and what they provide.

Mr. HEFLEY. Does anyone else want to comment?

Admiral MULLEN. I can comment quickly, sir. Up to about 18 months ago on the aviation side, F-14 Tomcats were the most expensive airplane that we had. About that time, that got exceeded by our EA-6B Prowlers. Those were the two that are routinely much more expensive to operate, which is why we have put them on an exit strategy; and clearly the planes that we are bringing in are going to be more sophisticated and more capable. But the F-18E and F-18F, which are our newest, have not been anywhere near what is going on with those other two jets, for example.

General CASEY. I would just comment that our experience is that the older systems do cost more to maintain. I will tell you that we have the Stryker system over in Iraq, and we are doing some analysis on the cost of maintaining that system. So when we get that, I will come back to you and let you know how that works out. That would be a good example of checking out a new system to see if it costs more or less to maintain.

Mr. HEFLEY. All right.

General HULY. Sir, for the Marine Corps, while it is not here yet, we are looking forward to the Joint Strike Fighter's ultimate arrival. We believe that that aircraft will require far less maintenance, less maintenance personnel, and will require less time to turn around and will give us more punch. So we believe that that system will actually be a benefit to us, as compared to the AV-8 that it will replace.

Mr. HEFLEY. General Casey, of the 117,000 troops currently in Iraq, approximately 57,000 of them are Guard and Reserves. That is roughly half. Would you speak to that? Is that getting the ratio out of balance? Do we need to re-balance the active and Reserve?

General CASEY. I do not think so, Congressman. It is going to actually drop a little bit as we complete this rotation. I think what you are seeing is we are using the Reserves, particularly in the combat support and combat service, what is really across the board. I did mention earlier in my statement that we had about 100,000 spaces that we were shifting back and forth, some from the Reserves to the active, some within the components. We think that is going to get us a much better balance of forces for the future.

So we will not keep calling on, for example, civil affairs units that are primarily in the Reserves, military police that are primarily in the Reserves. Some of those critical specialties that we are leaning very hard on now, we are going to have more of those units in the Army so we will going back to them less and less.

I would say we could not have done this without them. They are very, very well prepared and well trained. I think you going to see, particularly in these three enhanced separate brigades that are just now moving into Iraq, they are equipped with the best equipment we have. They have been through a very rigorous training program. They are very confident in their abilities. So we are very happy about that.

Mr. HEFLEY. Thank you.

General, would you speak to the overall readiness trends of your units, particularly the units within the first Marine Expeditionary Force (MEF) who are redeploying to Iraq?

General HULY. Yes, sir. The readiness trends, I believe you are probably referring to maintenance readiness trends first, the units that came back from Iraq in August timeframe, or between May and August, came back. They were mainly equipped with the maritime pre-positioned force from Maritime Pre-positioning Ship (MPS) Squadron One. Their equipment was used. Their equipment was backloaded when the units withdrew. It was taken to Blount Island and it is currently being reconstituted now. They left a majority of their normal equipment. It remained behind equipment back at Camp Pendleton, which was for the most part their home station, except for the Reserve units that participated. Many of those same units are now returning to OIF, Operation IRAQI FREEDOM II. They are falling in on maritime pre-positioned squadron equipment, the set that was mainly unused or it was backloaded from OIF I equipment that was in good shape. So their equipment readiness is up around the 88 to 92 percentile of the equipment that they have. So our equipment readiness is in pretty good shape, sir.

The other units that we still have remaining in the continental United States, their equipment readiness runs anywhere from 88 percent, 89 percent, up to 94 percentile. Equipment readiness is very good, sir.

Mr. HEFLEY. Thank you very much.

Dr. Snyder, I think you have another question or two?

Dr. SNYDER. Thank you, Mr. Chairman.

Admiral Mullen, to continue the discussion about this supplemental business, help me clarify this. One of the issues that has come up is this tension between why can't things be budgeted in the normal authorization and appropriation process, versus supplemental. There are good arguments on both sides.



One of the arguments in favor of the supplemental is that it is difficult to predict. I think somebody made that point today, particularly Iraq and Afghanistan. But when I hear you say that you need cash in hand by April; and General Casey chimes in he needs cash in hand by March, that tells me that you are very reliably calculating your financial needs and that if we were to do this through the normal process, we would not have you run out of cash in March, General Casey, and you, Admiral Mullen, in April.

So you are saying that you are able to estimate fairly reliably, down to the exact month when you are going to need additional funds. Is that a fair interpretation of what you said?

Admiral MULLEN. No, sir. I appreciate your follow-up on this. For me, what I am saying is if I need a supplemental, and I don't know that I will; but if I need one, if I am going to reasonably execute it in the fiscal year next year, I need to have the money in hand by mid-year. It becomes an execution problem.

I will let General Casey speak. I am really talking about, it is unpredictable. I do not know. Right now I see the \$700 million shortfall. I am working inside the resources that have been made available by you in the 2004 supplemental right now, with OSD, to see if I can resolve that. So that is the extent of my problem known right now, because of this unexpected cost move in the Marines.

I think General Casey is talking about known supplementals he will require, and I think what he is saying is that he expects, in order to continue the year, to run out of money in March and would have to have it by that time.

General CASEY. That is based on some rough calculations. We certainly do not have the level of detail that you require here to ask for a supplemental. We do not know that, and it is really not knowable for us right now. Ours are primarily based on the number of troops that are going to be required, and that number could change substantially probably in a lower direction between now and the time we get over there.

Dr. SNYDER. I understand.

General Huly, I wanted to ask you a couple of questions. You all have been doing things differently than the Army, somewhat, it is my understanding. How long are your rotations in Iraq going to be?

General HULY. Sir, the Marine Corps has had in place now for probably in excess of 20 years what we call the unit deployment program in the Marine expeditionary units that would deploy for six to seven months at a time. We have set up our recruiting, our recruit training, our follow-on schools and our assignment to infantry battalions is a good unit to use as an example, based upon a six-to seven-month deployment.

It works out so that a young person that is in her first enlistment, probably for four years, in that amount of time with the normal deployment ratio that we would like to see, would receive their initial training, about six months in length, join a unit, have some time to work up and prepare for deployment, go on a six- to seven-month deployment, return, have about a year at home, go on another deployment, come back and exit the service in a reasonable operational tempo that would prepare them for whatever else that

they were going to do, either reenlist or go on and become a civilian Marine again.

Dr. SNYDER. One of the issues, of course, is the continuity. That is a fairly rapid turnover.

General HULY. Yes, sir. But the only units that we are rotating at the six-to seven-month mark out of Iraq and Afghanistan are going to be the infantry battalions and probably some of the squadrons and some of the combat service support. The higher headquarters, the regimental division Marine expeditionary force headquarters, are remaining for 12 to 14 months. We believe that they will provide the continuity and the linchpin, so to speak, for the new units as they come in.

Dr. SNYDER. I want to ask one question that is somewhat unrelated to what you all are here about today, but I guess I am going to keep asking this until I get somebody to give me the answer I want, whatever the answer is. There was a report on NBC News last week about Iraq, talking about al Zaqawi and Ansar al-Islam. The basic report, and I do not know if it is accurate or not, was that there were three times when we had actual intelligence, in June of 2002 and four months later, and then in early 2003, that he probably was at the camp up in the Kurdish control area in Northeast Iraq; and the Pentagon drew up a plan to take out the camp and potentially him, but the National Security Council rejected it. According to NBC News, their sources, they say the reason it was rejected is because they thought it would interfere with building support for the potential coalition members for the war in Iraq. Do any of you have any information that could say whether that story was accurate or inaccurate or not?

General CASEY. No, sir.

Admiral MULLEN. No, sir.

General MOSELEY. No, sir.

General HULY. No, sir.

Dr. SNYDER. Thank you, Mr. Chairman.

Mr. HEFLEY. Any further questions? Yes, Mr. Hayes.

Mr. HAYES. I wanted to come back to General Casey for just a minute. I apologize for maybe asking the question incorrectly at the beginning. I will use Fort Carson as an example. My understanding of the process is that there are two basic accounts. Money comes down to operate that fort, streets, sewer, and water. Those funds have not come down at the 95 percent level. I think they come down at 70 percent when you are lucky, and then unfortunately that lesser amount has more taken from it again to make up the difference from what we as Congress should be providing to you. Does that make the question more clear and give you a better opportunity to address us on our shortcomings?

General CASEY. You are right on the mark, Congressman. We have resourced-based operations support right at the 70 percent level this year. As you know, what usually happens, what has happened recently, is there is migration from the SRM account into the base operating accounts to keep the lights on and the water flowing on the post.

As you know, this is something that we have wrestled with in the operations and maintenance account for years. It used to migrate from training funds into base support funds. But as we look

at everything that we are doing, as we look at the state of our installations, we believe that the way we are funded this year will allow us to do what we need to do and maintain an appropriate quality of life for our folks.

Mr. HAYES. Okay. Just a last comment, and thank you, Mr. Chairman. If that is the case, and I hope to some degree it is, then on the unfunded requirements, there ought to be a substantial amount of money to make up the shorts for neglect of a number of years. I want to make sure that gets in there. Thank you very much. Thank you for what you and your men and women do, particularly.

Mr. HEFLEY. Do any of you have anything else you would like for us to know before we close the hearing?

Mr. ORTIZ. Mr. Chairman, if I may?

Mr. HEFLEY. Yes.

Mr. ORTIZ. I would like to include some questions for the record. One of the things you mentioned about converting military positions to civilian jobs, and how are you going to do that. I know that there are other commitments in the next few minutes, and if I may I would like to submit several questions for the record, Mr. Chairman.

Mr. HEFLEY. Without objection.

Thank you very much, gentlemen. With that, the committee stands adjourned.

[Whereupon, at 10:37 a.m., the subcommittee was adjourned.]



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# **A P P E N D I X**

MARCH 11, 2004

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 11, 2004

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**RECORD VERSION**

**STATEMENT BY**

**GENERAL GEORGE W. CASEY, JR.  
VICE CHIEF OF STAFF  
UNITED STATES ARMY**

**BEFORE THE**

**SUBCOMMITTEE ON READINESS  
COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES**

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**ON THE FISCAL YEAR 2005 BUDGET**

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**STATEMENT BY  
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VICE CHIEF OF STAFF**

**Introduction**

Chairman Hefley, Representative Ortiz, members of the committee –

I appreciate the opportunity to appear before you to discuss the Army's readiness and our plans to meet current worldwide commitments, while we simultaneously transform to a more flexible, capable, joint and expeditionary force.

I thank the members of the committee for their continued outstanding support to the men and women in uniform, who make up our great Army. Your concern, resolute action, and deep commitment to America's sons and daughters are widely recognized throughout the ranks of our Service.

**Current Posture**

With over 320,000 soldiers deployed in 120 countries worldwide, the Army remains actively engaged in support of the nation's operational requirements. Approximately 165,000 of our Soldiers are overseas on 12-month, unaccompanied tours, and the vast majority of these troops are engaged in combat operations in the U.S. Central Command Area of Operations. Currently, the equivalent of eight Army divisions is either deploying to or redeploying from our overseas missions, including Operations Iraqi Freedom and Enduring Freedom in Southwest Asia, the Stabilization Force and Kosovo Force in the Balkans, and the Multinational Force and Observers mission in the Sinai. This constitutes the largest movement of U.S. forces since World War II. Couple that with the mobilization of more than 150,000 combat-ready National Guard and Army Reserve Soldiers, and you can see that this is an unprecedented moment in the Army's history.

The Army is the dominant land campaign force for our Combatant Commanders. Our centerpiece is the American Soldier. Today, these great Soldiers are performing extraordinarily well in tough combat and stability operations around the world. They



understand their missions and willingly undertake their roles with pride and determination. They make a difference every day.

### **Readiness and Training**

While the situations these forces face are challenging, I am struck by how well our Combat Training Centers and institutional education programs have prepared our leaders and soldiers for their missions and for the rigors of combat operations.

Our combat formations headed to Operation Iraqi Freedom have received a full-spectrum train-up, either at the National Training Center at Fort Irwin, California, the Joint Readiness Training Center at Fort Polk, Louisiana, or the Combat Maneuver Training Center at Hoenfels, Germany. This realistic preparation is based upon the lessons we gleaned from our combat operations and our ongoing security operations in Iraq and Afghanistan.

The Army's training programs have also been, and will continue to be, the cultural drivers for the future. Leaders will not learn what to think, but instead how to think—jointly, strategically and within the context of an expeditionary mindset. We will continue to invest in cutting edge facilities and technology and constantly modify our curricula to reflect current and expected threats, and incorporate the lessons of actual operations, as we already are doing with the experience gained in Afghanistan and Iraq.

### **The One Army Concept**

Side by side, the Active Component, Army National Guard and Army Reserve have proven that they are a combat-capable and ready team. Our Reserve Components have shared a substantial portion of the Army's mission since September 11, 2001. Our successes would not have been possible without our Reserve Component Soldiers.

Currently, we are in the process of deploying three more enhanced Separate Brigades: the 39th Infantry Brigade from the Arkansas National Guard with the 1st Cavalry Division; the 30th Infantry Brigade from the North Carolina National Guard with the 1st Infantry Division; and the 81st Infantry Brigade from the Washington National Guard to CJTF-7, and large numbers of combat support and combat service support

soldiers from across the country. These units are well-equipped, well-trained and well-prepared for their missions.

### **Mitigating Strategic Risk Through Increased Land-Power Capability**

Our Nation and Army are at war. Our extensive commitments have highlighted stresses to our forces, which have existed for sometime. To mitigate risk, our Army has embarked on a series of initiatives. I would like to address several of these initiatives today, because it is important to understand how the Army is transforming itself as we provide trained and ready forces to Combatant Commanders.

First, we are rebalancing capabilities between our Active and Reserve Component forces to improve our strategic flexibility. Second, we are reorganizing our combat formations into modular, brigade-based formations to make them more self-sufficient and to facilitate force packaging. Third, we are initiating a force stabilization program to increase unit readiness, reduce personnel turbulence, and make life more predictable for our Soldiers, units and families.

These efforts will yield an Army that has the right capabilities to respond rapidly and decisively to future challenges.

### **Rebalancing our Army**

Being an Army at war provides focus and insights as we rebalance to meet the challenges of the emerging operational environment. We recognize that we must provide our Nation with full-spectrum, ground combat and support capabilities that can defeat adaptive enemies anywhere in the world.

Our challenge is not necessarily that we have too few soldiers. Instead, it stems from the fact that our formations, designed for the Cold War, must now meet the requirements of the Global War on Terrorism and other operations, which will persist for years to come. To meet the challenges of the future, we are rebalancing more than 100,000 spaces in our Active and Reserve Components – converting them to relieve the burden on the low density/high demand units, e.g., military police.

We accelerated this process after September 11, 2001, to alleviate the stress placed on our most-needed units. In compliance with Secretary of Defense's guidance

to minimize involuntary mobilizations within the first 30 days of a contingency, we made further progress in 2003. We expect Army rebalancing measures to continue with the same momentum in 2004, 2005 and beyond. Our National Guard and Army Reserve have been, and will continue to be, integral to the planning and decision-making process for this effort.

### **Modularity**

In addition to rebalancing our forces, we are creating a brigade-based, modular Army to enhance responsiveness and to increase our joint and expeditionary capabilities. Webster's defines modularity as "composed of standardized units for easy construction or flexible arrangements." Although this may seem to be an oversimplification of what the Army is doing, it is precisely our concept.

The basic maneuver element in the modular Army will be the Unit of Action, similar to today's brigade. Units of Action will be flexible, self-contained and capable across the entire operational spectrum.

The Army intends to increase the number of Active Component brigades from 33 to 43 by fiscal year 2007; at that time, we will decide whether to continue the process to achieve 48 brigades. During the same time period, Army National Guard Brigades will reorganize into 34 brigade-size units using the same modular design as the Active Component.

The Chief of Staff has approved the initial modular design of the 3rd Infantry Division and its transformation is under way. Following rigorous training, to include rotations through our combat training centers at Fort Polk, Louisiana; and Fort Irwin, California; the Division will be reset for potential deployment anywhere in the world as early as the first quarter of fiscal year 2005.

### **Force Stabilization**

The challenges associated with current operational requirements place significant stress on our existing force structure, both active and reserve. The approval of a temporary end-strength increase affords us the opportunity to implement permanent initiatives aimed at mitigating that stress to the force.



The force stabilization initiative consists of two complementary policies: unit-focused stability and home basing. Under home basing, Soldiers will remain at their initial installation for six to seven years -- well beyond the current three-year average. Unit-focused stability will allow Soldiers to arrive, train and serve together for roughly 36 months, enhancing unit cohesion, training effectiveness and readiness. During the unit's operational cycle, Soldiers can expect to complete an operational deployment rotation of six to 12 months. Overall, with force stabilization, units will have more reliable training and deployment schedules, and Soldiers and families will get a greater sense of predictability.

### **Installations**

Installations are essential to maintaining the Army; they serve as our flagships. Our short-term installation plans center on three essential tasks: posturing installations as deployment platforms with robust, reach-back capabilities; adjusting installation support to meet the needs of an Army at war and transforming; and supporting the well-being of all Soldiers and their families.

Many of our installations require restoration and modernization to enable Army transformation and the rotation-based system of global engagement. In the past, the Army has repeatedly accepted risk in infrastructure and installation services in order to maintain warfighting capabilities and readiness; as a result, facility conditions have deteriorated. We are in the process of reversing the decay, but much remains to be done. Our overall goal is to achieve C-2 quality (minimal impact on mission accomplishment) by 2010, with specific facility types achieving C-1 ratings. In fiscal year 2005, the President's Budget has programmed \$2.5 billion for sustainment, restoration and modernization (SRM) to stop deterioration and to improve our facilities; within that sum, sustainment dollars will cover 95 percent of requirements. We also have increased base operations support funding in fiscal year 2005.

### **Quality of Life**

The Army strives to provide its members, uniformed and civilian, a quality of life equivalent to the society they defend. They deserve nothing less. To help fulfill this obligation, we have increased Soldier compensation and decreased out-of-pocket

housing expenses. In fiscal year 2004, out-of-pocket housing costs will drop from 7.5 percent to 3.5 percent; we are on a glide path to cutting those expenses to zero in fiscal year 2005.

Our Army also is improving the housing itself. Through the Residential Communities Initiative and the Army Family Housing program, 17,000 of our 100,000 sets of quarters will be renovated by the end of 2005.

In addition, this year we inaugurated a program with the private sector to increase employment opportunities for our Army spouses. Our objective in fiscal year 2005 is for 55 percent of spouses seeking employment to obtain positions through these corporate sponsorships.

### **Equipping the Force**

Providing our forces with the right equipment for the missions in Iraq and Afghanistan and the Global War on Terrorism is an imperative. To this end, we are adapting and improving our acquisition and fielding processes to better support our warfighter. Thanks to congressional support in the fiscal years 2003 and 2004 emergency supplemental appropriations, our Army has been able to obtain and field solutions to \$4.4 billion of operational requirements. For example, in fiscal year 2003 we implemented our Rapid Fielding Initiative (RFI) to ensure that all of our troops deploy with the latest available equipment. We substantially compressed the procurement and fielding cycle and revised schedules to support unit rotation plans.

Our fiscal year 2004 goal for RFI is to upgrade a minimum of 16 brigade combat teams; to include three Reserve Component Enhanced Separate Brigades, serving in Operation Iraqi Freedom and Operation Enduring Freedom. More than \$100 million have been programmed to continue RFI in fiscal year 2005.

Additionally, the Army has established a Rapid Equipping Force (REF) that works directly with operational commanders to find solutions to operational requirements. These solutions may be off-the-shelf or near-term developmental items that can be made quickly available. We also created a task force to safeguard our Soldiers from Improvised Explosive Devices (IEDs). Its work is saving lives in the Operation Iraqi

Freedom and Operation Enduring Freedom Areas of Operation. In fiscal year 2004, the IED initiative was funded solely through existing Army programs, at a cost of \$21 million. In light of its success, our Army has decided to make the task force a permanent organization

Our modernization efforts continue and are bearing fruit, as evidenced by the recent fielding and deployment to Iraq of our first Stryker Brigade Combat Team. Our second SBCT will become operational this spring, and the third in 2005. Three more SBCTs will be fielded through 2008.

Our commitment to improve current and future readiness is steadfast, even when that entails making tough choices, such as canceling the Comanche program. Though it was a difficult decision, we believe it was unquestionably the right one. By reallocating funds originally intended for Comanche the Army can buy almost 800 new aircraft, upgrade or modernize an additional 1400 aircraft—modernization for almost 70 percent of our fleet—and outfit our aircraft with the survivability equipment they need. In fiscal year 2005 alone, the Army will convert 19 Apaches to the Longbow configuration, upgrade five Black Hawks to the UH-60M configuration, purchase 27 new UH-60Ls; buy four new CH-47Fs; convert 16 existing CH-47s into F and G models; and procure 160 new, higher-power CH-47 engines. In addition, our Army will start a Lightweight Utility Helicopter program, under which we will acquire 10 new, off-the-shelf aircraft in fiscal year 2005. We need your support to use the Comanche resources to fix Army aviation.

### **Setting the Force**

We are in the process of reconstituting our equipment returning from Operations Iraqi Freedom and Enduring Freedom through a rigorous, long-range plan known as “Setting the Force.” This program, which is designed to restore our units and equipment stocks to predeployment levels of readiness so they are rapidly ready for follow on missions. The goal is for all returning active and Army Reserve units to achieve this level of combat readiness within six months after their arrival at home station. For National Guard units, the target is one year.



The Army's Reset Task Force has determined the repair requirements for all Operation Iraqi Freedom 1 units. The workload consists of approximately 1,000 aviation systems, 124,400 communications and electronics systems, 5,700 combat/tracked vehicles, 45,700-wheeled vehicles, 1,400 missile systems, nine Patriot battalions, and approximately 232,200 various other systems. The basic reset plan incorporates the use of domestic and overseas depot, installation and commercial repair facilities.

As part of setting the force, our Army also will have to replace those weapons and systems destroyed on the battlefield or too badly damaged to be repaired economically. The procurement requirements established through our Reset Task Force cover only known losses at this point and we expect that they will grow as operations continue. We also predict that, as we inspect and repair equipment, the number of items catalogued as uneconomically repairable will increase.

### **Conclusion**

In closing, the fiscal year 2005 budget will enable our Army to provide our Combatant Commanders the requisite land-power capabilities for the Global War on Terrorism, homeland defense and other worldwide commitments. It will enable us to provide our Soldiers with the best available technology and materiel, and to properly train them to handle any situation or challenge they encounter. The fiscal year 2005 request covers our baseline operations, the 15 critical systems in our recapitalization program and our transformation program. It does not address the on-going missions in Iraq and Afghanistan.

Our Soldiers continue to perform magnificently around the globe. Simultaneously executing the Global War on Terrorism, implementing our modularity and transformation initiatives, and setting the force will be a challenge. However, it is also an opportunity to reshape ourselves for the future that we cannot pass up.

Your support of this budget and for our on-going operations, specifically in Iraq and Afghanistan, is critical if our units are to continue their remarkable performance and to be ready for future contingencies.

We appreciate your dedication to your military and to America's sons and daughters, who are serving selflessly throughout the world to make America safe and

free. Thank you again for the opportunity to discuss our Army and I look forward to answering any questions you may have.

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STATEMENT OF  
ADMIRAL MICHAEL G. MULLEN, U.S. NAVY  
VICE CHIEF OF NAVAL OPERATIONS  
BEFORE THE  
SUBCOMMITTEE ON MILITARY READINESS  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
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Chairman Hefley, Congressman Ortiz, and distinguished members of this subcommittee, I am extremely pleased to testify before you again, along with my Service counterparts, on the readiness of our military forces. Current readiness continues to be one of my CNO's top priorities and, with your enduring and generous support, we have built and organized a Navy that is truly ready, in every regard; more so today than ever before. Forward deployed with a significant surge capability poised to go, our forces are able to take credible, persistent combat power to the far corners of the earth.

In the fall, I testified before you that the CNO's goal for 2004 was to constitute and "reset the force." Later this year, the U.S. Navy will be fully ready to do it again. We will be able to provide combat forces on par with the OIF effort. A combat power that is ready around the world, around the clock; enabled by surge naval forces if called. This gives our President options. The exceptional support of this committee and Congress has enabled the Navy to wisely invest the taxpayer dollar; an unprecedented level of readiness now is the return on that important investment in the Navy. Before I go into more detail on current readiness and our FY05 budget request to support continued readiness of naval forces, I will review the remarkable events and circumstances of the past year.

### **Last Year in Review**

At this time last year, 168 Navy ships and over 77,000 Sailors were deployed around the world supporting the Global War on Terrorism and in position to execute Operation Iraqi Freedom. In total, 221 of our then 306 ships--representing 73% of our force--were underway, including seven of 12 carrier strike groups, nine of 12 expeditionary strike groups, and 33 of 54 attack submarines. The Navy and Marine Corps alone had nearly 600 aircraft forward deployed in support of these operations. SEALs, construction battalions (SEABEES), Explosive Ordnance Disposal (EOD) teams, port operations support units, maritime patrol squadrons, medical teams, and naval coastal warfare units were also deployed overseas, all well-trained and ready for real

world combat operations. Twenty-one combat logistics and 76 sealift ships provided the movement and sustainment for this fighting force. It was a tremendous and superbly executed effort that projected decisive combat power across the globe in concert with our Joint partners.

Naval forces were integrated into Joint and coalition operations in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). In the case of OIF, our forces provided the Joint force commander a capability to strike deep inland from the sovereign operational sea bases provided by our aircraft carriers and other naval combatants. OEF and OIF were the most Joint operations in our history, providing valuable lessons learned that will enhance our power projection (Sea Strike), our defensive protection (Sea Shield) and the operational independence afforded by the freedom to maneuver on the sea (Sea Basing). The lessons learned thus far reaffirm that the capabilities-based investment strategy, new war fighting concepts and enabling technologies we are now pursuing in the Sea Power 21 vision are right on course. Just a few examples of our warfighting investments in light of these lessons include:

- Purchasing precision guided munitions at the maximum rate currently possible,
- Enhancing the proven capability of Tomahawk cruise missiles,
- Accelerating S&T programs that proved effective in mine clearance, and,
- Instituting new employment concepts to better utilize our existing forces.

The capabilities-based transformation of our individual platforms and new operating concepts for the force continue to accelerate our advantages as the appropriations provided by this Congress become reality in the fleet. We must stay ready as well as invest in the future.

Our Navy achieved many successes the past year, including some new high water marks in our priority areas:

Sea Strike:

Sea Strike was an important contributor to successful combat operations during OIF, particularly during the crucial opening hours and days. In 2003, Navy flew nearly 9,000 sorties, fired over 800 Tomahawk missiles and delivered over 15,000 Marines to the fight in support of the Joint Force. The Navy delivered combat power where it was needed, when it was needed; providing tactical surprise, persistence and deep reach to the combatant commander from flexible naval forces under his command. The Navy strongly demonstrated its ability to conduct strike operations deep inland in concert with ground forces – whether Marine Corps, Special Operations or Army -- to contribute to the decisive defeat of an armed adversary. We are also enhancing our power projection capabilities as we transform, providing flexible strike forces that are ready and immediately employable to the President.

This past year we deployed the Navy and Marine Corps' first Expeditionary Strike Group (ESG 1), pairing the deep striking power of USS PORT ROYAL (CG 72), USS DECATUR (DDG 73), and the submarine USS GREENVILLE (SSN 772) to the traditional forcible entry capabilities of our marines enabled by USS PELELIU (LHA 5), USS OGDEN (LPD 5), and USS GERMANTOWN (LSD 42). This ESG provides increased capability to the Joint combatant commander that is persistent and sovereign. The future addition of DD(X) and JSF STOVL to ESGs will greatly enhance these already tremendous combat forces. We also benefited this past year from the first fleet operations of the F/A-18E/F and over the next few years are fielding two new SEAL Teams and four SSGNs; which add unique capabilities to our portfolio of naval power.



Sea Shield:

We continue improving the deterrent value and the war fighting power of our Navy through new sea shield capabilities, including: Homeland Defense, Sea and Littoral Control, and Theater Air and Missile Defense. The ESG is also evidence of the shift in operational emphasis to providing the necessary sea shield capability required to operate in an anti-access environment.

- This year USS HIGGINS (DDG 76) provided early warning and tracking to Joint forces in Kuwait and southern Iraq during the war to help defend against the theater ballistic missile attacks. This capability demonstrated the initial potential of extending *Sea Shield* defenses to the Joint force, effectively projecting defensive power over the land battlespace.
- Three months ago, we advanced our theater missile defense capability with another successful flight test of our developmental sea-based defense against short-to-medium range ballistic missiles. USS LAKE ERIE (CG 70) and USS RUSSELL (DDG 59) combined to acquire, track and hit a ballistic test target in space with an SM-3 missile in support of the Ballistic Missile Defense program. An effective TBMD system is essential in the future to protect air and sea ports of debarkation in theater, enabling the flow of military power for successful Joint operations ashore.
- Our OIF mine warfare efforts cleared 913 nautical miles of water in the Khor Abd Allah and Umm Qasr waterways, opening 21 berths in the Umm Qasr port and clearing the way for the first coalition humanitarian aid shipments into Iraq onboard RFA SIR GALAHAD, a British logistics ship. Other operations in the littoral areas of the Northern Arabian Gulf prevented sea mines from being deployed and secured active oil platforms, assuring maritime access to Iraq, freedom of navigation in the entire Arabian Gulf and preventing a potential environmental disaster.

- Anti-Terrorism/Force Protection (AT/FP): Significant progress was made in security, and investments in AT/FP continue as our personnel and bases remain potential terrorist targets. We significantly increased AT/FP resources: expanding our military police forces, delivering AT/FP equipment to the end users and formalizing fleet training and certification requirements. We also tested new systems as well as existing systems in an AT/FP role with good success and aligned counter-terrorism functions into the Naval Criminal Investigative Service.

#### Sea Basing:

We are pursuing Sea Basing as an integral part of the Navy - Marine Corps Team's transformation, encompassing and integrating powerful extensions to current Joint capabilities. The inherent mobility, security, and flexibility of naval forces provide an effective counter to emerging military and political limitations to overseas access. Supporting OEF and OIF in 2003, an element of our emerging Sea Basing concept is exemplified by the Military Sealift Command, which delivered over 32 million square feet of combat cargo, over 34,000 tons of combat and support cargo, and more than one billion gallons of fuel to the nation's war fighters in OIF. Thus, within the Sea Basing construct, we were able to sustain the strategic and operational flexibility necessary to generate a three-axis attack in Iraq from our dispersed sea bases of aircraft carriers, surface combatants and submarines in the Red Sea, the Mediterranean Sea and the Arabian Gulf. This effort continues today in support of OIF II with 153 MSC-controlled ships activated on Full Operational Status, 85 of them forward deployed economically and securely delivering over 350,000 tons of cargo in support of Joint operations and the largest troop movement since World War II.

As we continue to develop and field additional elements of Joint Sea Basing with the U.S. Marine Corps and our other sister services, we will "accelerate our advantages" to assure access for Joint Operations wherever it is required. Sea Basing provides the dynamic access, speed of response, flexibility and persistent sustainment capabilities necessary to execute combat operations ashore, exploiting the maneuver space provided by the sea to enable and conduct Joint operations at a time and place of our choosing.

Sea Warrior:

The human resource investment through our Sea Warrior program remains one of our top priorities as we execute the CNO's Guidance to "expedite Sea Warrior" and "streamline and align the total manpower structure." Retention has never been better; for the third straight year we've seen record retention levels. In 2003 we retained 60.8% of our first term Sailors, a full four points above goal while attrition was driven down to 8.2%, three points lower than goal. Our officer corps chose to continue their naval careers in record numbers; our officer loss rate has decreased from 9.5% in 2000 to 7.1% in 2003. This great retention allowed us to lower our accession goal to just over 41,000, down from 56,700 in 2000, while dramatically improving the quality of people we brought into the Navy. More than 94% of our recruits held high school diplomas and some 3,200 of them had completed at least 12 semester hours of college credits. This success stands as testament to our commitment ... with your support ... to improve the quality of service in the Navy.

Sea Trial & Experimentation:

We kept our commitment to testing and experimentation by both formalizing the process into the Sea Trial program as well as conducting tests in support of real-world operations where it made sense. These operations supporting OIF included the use of the High Speed Vessel X1 (JOINT VENTURE), Navy patrol craft and six unmanned, autonomous underwater vehicles (AUV) directly from our Science and Technology (S&T) program. These successful field tests supported special operations and mine clearance in the littoral as well as delivering important insights into our vision for future littoral and mine warfare concepts and capabilities.



### Where We are Today

When I addressed this committee last October, I indicated that the Navy had begun constituting the force. If called now, the Navy could rapidly surge six carrier strike groups within thirty days and two more soon after – what we call “Six plus Two” – as well as significant amphibious forces, providing flexible options and significant combat capability to the President and Secretary of Defense. We reached this point by instituting organizational changes; and in this case, an innovative new operational employment concept called Fleet Response Plan (FRP). I will go into some detail on this transformational concept later, but briefly, FRP fundamentally changes our approach to readiness at the unit level and provides maximum return for the taxpayers’ dollar, and is in place now. FRP ensures that fleet units achieve combat readiness sooner after completing a deployment and associated maintenance period. Units also maintain that high level of readiness longer than before. The net result is a period of extended readiness for a large portion of the force, a force that is ready to continue rotationally deploying or, if called, ready to surge quickly for combat or other operations. I urge your strong support of the readiness accounts in PB05 which will allow me to execute this vital new and better way to fund readiness.

Today, the Navy remains underway and forward deployed to all corners of the world. As I provide this testimony to you, 86 ships including two carrier strike groups, two expeditionary strike groups and one surface strike group are forward deployed. These forces are or have been operating in support of OEF, OIF and other operations worldwide, enhancing their coordination and value in Joint operations. In addition to this forward deployed posture, there are 66 ships and submarines underway conducting homeland security missions, counter-drug patrols, goodwill visits, multi-national exercises and pre-deployment training. Units not deployed overseas are achieving combat readiness earlier under FRP, ensuring that forces are available when called.

Also, in my fall statement, I made reference to several of the largest challenges to reset the force. In that testimony, I discussed spares, depot maintenance, precision-guided munitions, EA-6B wing panels and F/A-18 ancillary equipment. FY04 supplemental funding met our immediate needs for these critical capabilities and our FY05 budget request keeps us on track for the future -- we have used your support to achieve, and crafted our FY05 budget request to now maintain, the Navy's force constitution. We thank you for approving the supplemental last fall.

### **The Fleet Response Plan**

In the CNO's Guidance for 2004, one of his major action items was to "deliver the right readiness." It was clear in responding to OIF that the Navy could not best meet the long-term GWOT force requirements using its traditional employment methods. As a result and to meet the challenges I mentioned, we undertook, and are well underway, in the Navy's organizational transformation. Foremost among these changes is the way we employ our forces. I made the point then of using the term "constitution" vice "re-constitution" to place emphasis on the fact that we are truly involved in a transformation in the way we develop ready forces.

The Fleet Response Plan (FRP) is among the most important of those transformations, and as discussed above, is the real reason we can provide such an immediate surge capability close on the heels of major combat operations. The Navy has been, is now, and will always be a rotationally deployed force. The FRP fundamentally changes the way we get the fleet ready. While continuing to rotationally deploy forces overseas, FRP institutionalizes a higher level of force employability and provides the surge capability necessitated by the global security environment. At the same time, we respond more flexibly by deploying for a purpose and add to the security of our forces by becoming less predictable to those that would do us harm.

The ramp-up to support OIF, permitting the extended arrival window of five Carrier Strike Groups at the outset, was impressive but we cannot count on a passive competitor in the future. The 21st century presents our nation with varied and deadly new threats, including regional adversaries armed with growing anti-access capabilities and international terrorist and criminal organizations. Countering such enemies and consistent with guidance espoused within our National Security Strategy, Navy reviewed the best way to transform its Fleet employment policy. Last May, the Chief of Naval Operations approved the Fleet Response Plan (FRP), redefining our readiness process, and in doing so, provided a more responsive force to meet our Defense and Military strategies, and presenting the President with more force employment options. A premium is placed on ready, flexible forces able to pulse rapidly either to augment forward-deployed forces or respond to crises in remote and widely separated locations.

FRP not only directly meets our defense strategy requirements but also provides the Combatant Commander with the tailored capabilities that will best meet their needs. Tailored packages beyond Carrier and Expeditionary Strike Groups include Surface Strike Groups or SSGNs in the near future. For example, the Navy is responding quickly to Haiti. The recent unplanned deployment and employment of USS BOXER (LHD 4) and USS BATAAN (LHD 5) supporting the current OIF II rotation is another example of providing tailored packages to meet the mission needs of the Combatant Commander. In these cases, full ESG capability was not required – the right force at the right time was ready and is performing with characteristic excellence. By refining our maintenance, training and manning schedules, we have institutionalized the capability to provide six Carrier Strike Groups (CSG) within 30-days and an additional two Carrier Strike Groups within 90-days, more commonly known as “Six plus Two.”

I discussed CSGs because they are the most complex components to prepare for deployment, but FRP applies to the entire fleet. With the implementation of FRP, half of Navy forces could be ready to provide homeland defense and be either forward deployed or ready to surge forward with overwhelming and decisive combat power.



We are now focusing our readiness efforts on achieving rapid deployability once a strike group has emerged from an extended maintenance period. This is a significant mind-shift change from the old way of achieving deployment readiness on the verge of the scheduled deployment date. The result is a period of extended readiness that nearly doubles former readiness windows. Though the time that platforms are available for employment will increase, the total time Sailors are deployed will not. The framework of FRP will allow enough structure for Sailors and their families to plan their lives, while also keeping our adversaries off balance.

The Fleet Response Plan (FRP) presents the Navy the opportunity to outline an operating pattern that is irregular to our adversaries, keeping them off guard by disrupting their calculus and ability to plan their hostile actions. While flexibility has advantages, FRP must also provide Combatant Commanders and allies the level of predictability needed to plan U.S. Navy participation in exercises, engagement with overseas partners and re-enforce assurances of our nation's commitment to the security of friends and allies.

Finally, during the additional months of readiness for surge, FRP will not increase the burden on our Sailors by keeping them in a constant alert status, uncertain when, if, and for how long they will be summoned to respond. Of course, for any major national crisis, the Navy will surge all the ships and aircraft with which we need to respond. Our Sailors understand that when the nation is threatened, their duty is to answer the call, as they have over the last three years. However, for those increasingly frequent situations that deserve a response, but do not imminently threaten the U.S. or its interests, a new employment concept is required.

The Navy developed the Flexible Deployment Concept (FDC) as a complement to FRP to ensure a proper balance between readiness to surge versus the practical need to place responsible limits on the OPTEMPO of our Sailors. To provide safeguards for our people, FDC proposes the establishment of two windows when ready ships could be available for employment, either on routine presence deployments in support of

Combatant Commander objectives, or on shorter “pulse” employment periods in response to emerging requirements. These windows provide predictability. Sailors will know when they might be expected to deploy, and Combatant Commanders will know which forces are ready to respond to emergent needs.

FRP and FDC provide ready forces able to defend the homeland, respond quickly to deter crises, defeat the intentions of an adversary, or win decisively against a major enemy. This is what we now call “Presence with a Purpose.” Together they implement the type of force employment transformation envisioned by national and military leaders and are the most significant change in the Navy’s operational construct in decades.

Of significance to this committee, FRP/FDC implementation will be accomplished within resources already planned. We will achieve resource efficiencies in maintenance and training. When considering the increased force availability gained through this transformational change, the taxpayer gets a larger return on investment with our current force structure.

### **Our FY05 Budget Request**

The CNO is intent on “delivering the right readiness at the right cost”, as stated in his guidance for 2004, while we accelerate our advantages to meet the challenges of an uncertain world. Readiness is much more than a count of our end strength, our ordnance and spares and the number of hours and days spent training. It is the product of our ability, through all of these pieces, to deliver the required effects needed to accomplish the mission. We know, too, that readiness at any cost is unacceptable; as leaders we must achieve and deliver the right readiness at the right cost. We have taken significant steps forward in order to assess our readiness.

The Integrated Readiness Capability Assessment (IRCA) was developed for the FY05 budget and beyond to more carefully examine our readiness processes. Starting with our new FRP operating construct, we took a hard look at everything that we needed

to have on hand and what we needed to do to deliver the required combat readiness for the nation's needs.

The IRCA process helped us better understand the collective contributions of all the components of readiness, accurately define the requirements, align the proper funding and provide a balanced investment to the right accounts. It improved our visibility into the true requirements and it gave us a methodology to assess and understand both acceptable and unacceptable risks to our current readiness investments.

Specific highlights from our FY05 budget request are as follows:

- **Ship and Aircraft Operations:** We have requested funds for ship operations OPTEMPO of 51.0 days per quarter (down from 54.0 days per quarter) for our deployed forces and 24 days per quarter for our non-deployed forces (down from 28 days per quarter). Through a realignment of existing resources, we have properly funded the flying hour account to support the appropriate levels of readiness and longer employability requirements of the FRP. This level of steaming and flying hours, though lower than previous years in the aggregate, will enable our ships and air wings to achieve the required readiness over the longer periods and, as a result, will improve our ability to surge in crisis and sustain readiness during deployment.

\*FY06-FY09 data in all tables is for planning purposes

(Dollars in Millions)		FY05	FY06	FY07	FY08	FY09	Totals
<b>Ship Operations</b>	Presbud-04	2,512	2,487	2,647	2,609	2,659	12,914
	Presbud-05	2,605	2,694	2,798	2,916	2,943	13,956
<b>Aircraft Operations</b>	Presbud-04	4,103	4,187	4,061	4,165	4,084	20,600
	Presbud-05	4,069	3,937	3,806	3,822	3,881	19,515

- **Ship and Aircraft Maintenance:** We have made significant improvements these last few years by reducing major ship depot maintenance backlogs and aircraft depot-level repair back orders; improving aircraft engine spares; ramping up ordnance and spare parts production; maintaining steady "mission capable" rates in deployed aircraft; fully funding aviation initial outfitting; and investing in



reliability improvements. Our FY05 request continues to improve the availability of non-deployed aircraft and meets our 100 percent deployed airframe goals. We have also included funding to continue the procurement of EA-6B outer wing panels, for which you specifically provided much needed funding last fall. The EA-6B will continue to be a maintenance challenge as it is an old airframe – and my most expensive to operate – and in need of replacement as soon as possible.

Our ship maintenance request continues to ‘buy-down’ the annual deferred maintenance backlog and sustains our overall ship maintenance requirement. We are making great strides in improving the visibility and cost effectiveness of our ship depot maintenance program, reducing the number of changes in work package planning and using our continuous maintenance practices when changes must be made. We are very carefully managing and balancing the maintenance and FRP employment of our units in order to ensure that the Navy can surge with greater flexibility.

(Dollars in Millions)		FY05	FY06	FY07	FY08	FY09	Totals
<b>Ship Maintenance</b>	Presbud-04	3,706	3,522	3,415	3,397	3,488	17,527
	Presbud-05	3,917	3,323	3,421	2,760	3,788	17,208
<b>Aircraft Maintenance</b>	Presbud-04	940	866	805	986	974	4,571
	Presbud-05	996	967	919	938	1,005	4,825

- **Shore Installations:** Our facilities Sustainment, Restoration and Modernization (SRM) program remains focused on improving readiness and quality of service for our Sailors. While our FY05 Military Construction and Sustainment program reflects difficult but necessary trade-offs between shore infrastructure and fleet recapitalization, the majority of the SRM trends are very good. Facilities sustainment has increased in FY05. Our budget request keeps us on a course to achieve the DoD goal of a 67-year recapitalization rate by FY08, achieve DoN goals to eliminate inadequate family and bachelor housing by FY07 and provides Homeport Ashore Bachelor Housing by FY08. We are exploring innovative solutions to provide safe, efficient installations for our service members, including

design-build improvements, and BRAC land sales via the GSA Internet.

Additionally, with the establishment of Commander, Navy Installations (CNI) this past year, we have improved our capability to manage our dispersed facility operations, conserve valuable resources, establish enterprise-wide standards and continue to improve our facility infrastructure.

(Dollars in Millions)		FY05	FY06	FY07	FY08	FY09	Totals
SRM	Presbud-04	1,446	1,449	1,425	1,928	2,085	8,333
	Presbud-05	1,536	1,403	1,441	1,405	1,611	7,396

- Precision Guided Munitions** receive continued investment in our FY05 request with emphasis on increasing the Joint Stand-Off Weapon (JSOW) baseline variant, Joint Direct Attack Munition (JDAM), Tactical Tomahawk (TACTOM), and Laser-Guided Bomb (LGB) inventory levels, while the JSOW penetrator variant enters full-rate production. We also continue to invest in the Joint Common Missile program with the U.S. Army to replace the aging inventory of TOW, Maverick and Hellfire missiles. Joint partnerships with the Air Force and Army in several of our munitions programs continue to help us optimize both our inventories and precious research and development investments and will remain a focus for us in the future.

(Procurement Quantities - Each)	FY05	FY06	FY07	FY08	FY09	Totals
JSOW	389	412	380	422	444	2047
AIM-9X	157	170	226	211	181	945
JDAM	6620	4250	3430	2850	4380	21530
AMRAAM	46	101	150	140	150	587
JASSM	0	0	0	28	106	134
Common Missile	0	0	0	22	88	110
<b>Total</b>	<b>7212</b>	<b>4933</b>	<b>4186</b>	<b>3673</b>	<b>5349</b>	<b>25,353</b>

- Training Readiness: We continue to make significant strides in this critical area. In FY04, the Congress supported two important programs to advance our training readiness. First, you endorsed the Training Resource Strategy (TRS), to provide more complex threat scenarios and to improve the overall realism and value of our training. Additionally, you funded the Tactical Training Theater Assessment and Planning Program to provide for a comprehensive training range sustainment plan. Our FY05 budget continues this work. We are working to make the Joint National Training Capability a reality. We have established a single office to direct policy and management oversight for all Navy ranges as well as serve as the resource sponsor for all training ranges, target development and procurement, and the Navy portion of the Major Range Test Facility Base.
- Environmental Readiness: We remain committed to good stewardship of the environment and have the resources and policies in place to do so. Congress has provided significant and reasonable legislative relief from many of the elements that impact readiness. These reasonable amendments help to balance nurturing the environment with the realistic military training required to keep forces ready. We will continue to focus the use of our ranges on military training, and remain committed to our environmental obligations through Integrated Natural Resource Management Plans. We have procedures in place and will continue to exert every effort to protect marine mammals while ensuring our Sailors are properly trained and our transformational systems are properly tested. Encroachment impacts readiness and is an area of particular concern, inseparable from the readiness of our naval forces and, I believe, our military forces in general. As we continue addressing complex environmental issues from a balanced perspective with fact-based analysis, the Navy is committed to maintaining our ongoing environmental stewardship.

In the end, we have a carefully balanced and well-defined readiness requirement. We have identified areas where we can streamline or cease activities that do not add to



readiness, and we have requested the funds our commanders need to create the right readiness for FY05. I ask for your support of this year's current readiness request as we've redefined many of these processes and already taken acceptable risks. We will deliver the right readiness at the right cost to the nation. Any significant reduction in my readiness accounts poses high risk to my combat capability.

We have taken some risk as it is imperative that we accelerate our investment in our Sea Power 21 vision. We must recapitalize and transform our force to reduce the burden on our operating accounts and improve our ability to operate as an effective component of the Joint war fighting team. To this end, our Navy budget request for FY05 and the future also includes:

- Nine (9) new construction ships in FY05, including construction of the first transformational destroyer (DD(X)) and the Littoral Combat Ship (LCS), the acceleration of a SAN ANTONIO Class Amphibious Transport Dock Class ship from FY06 to FY05, and one SSBN conversion and refueling. Our request this year includes the following ships:
  - 3 ARLEIGH BURKE Class Guided Missile Destroyers (DDG)
  - 1 VIRGINIA Class submarine (SSN)
  - 1 SAN ANTONIO Class Amphibious Transport Dock (LPD)
  - 2 Lewis and Clark Class Dry Cargo and Ammunition ships (T-AKE)
  - 1 21st Century Destroyer (DD(X))
  - 1 Littoral Combat Ship (LCS)
  - 1 SSBN conversion/refueling
  - Three (3) Maritime Prepositioned Force (Future) (MPF (F)) ships and advanced procurement for an MPF (F) aviation variant.

We are shifting focus to the next generation surface combatants and sea basing capabilities. We have also assessed the risks and divested several assets that have high operating costs and limited technological growth capacity for our transformational future;

this includes decommissioning two coastal mine hunter ships, and the accelerated decommissioning of the remaining SPRUANCE-class destroyers, SACRAMENTO Class Fast Combat Store Ships and the first five TICONDEROGA-class guided missile cruisers in the future year's plan.

- Procurement of 104 new aircraft in FY05, including the F/A-18 E/F Super Hornet, the MH-60 R/S Seahawk and Knighthawk Multi-mission Combat Helicopter, the T-45 Goshawk training aircraft and the Marine Corps MV-22 Osprey among others. We continue to maximize the return on procurement dollars through the use of multi-year procurement (MYP) contracts for established aircraft programs like the Super Hornet. We have increased our research and development investment this year in the Joint Strike Fighter (JSF), the EA-18G Airborne Electronic Attack (AEA) aircraft and the broad area anti-submarine, anti-surface, maritime and littoral intelligence, surveillance and reconnaissance (ISR) capable Multi-mission Maritime Aircraft (MMA).

## Ship Procurement

PB04 to PB05

	F04	FY05	FY06	FY07	FY08	FY09	Total
CYN 21	0	0	0	1	0	0	1
SSN 774	1	1	1	21	21	2	46
DDG 51	3	3	0	0	0	0	3
DD(X)7	0	1	±0	±2	3	8	13
LPD 17	1	±1	21	1	1	1	5
LHA R	0	0	0	±0	±1	0	1
LCS**	0	1	±2	±1	3	4.6	9.13
T-AOE(X)	0	0	0	0	0	2	2
T-AKE	2	2	2	1	0	0	5
MPF(F)	0	0	0	±1	±0	0	3
SPR(R) (A)	0	0	0	0	0	±1	±1
MLP	0	0	0	0	0	±0	±0
New Const.	7	8.9	2.6	2.8	0.8	14.7	46.48
SSN ERO	2	±0	±0	2.3	1	0	5.4
RCOH	0	0	±0	±1	0	0	1
Sea Base Connector	0	0	0	0	±1	0	1

\*<sup>1</sup>YON NIIIC, RUTEN Funder  
 \*<sup>2</sup>YON NIIIC, RUTEN Funder

## Aircraft Procurement

PB04 to PB05

	FY0	FY05	FY08	FY02	FY08	FY08	Total	
JST	0	0	0	0	2	2	83	5a
1-2B/EF	42	42	38	38	24	20	108	
EA-18G	0	0	4	12	30	18	22	56
E-3C	2	2	2	3	0	4	12	
AWA	0	0	0	0	0	0	8	
UC-35	0	0	0	0	0	0	2	
T-45	15	0	0	0	0	0	28	
1-A8	0	1	5	3	7	7	16	1a
C-40	1	1	4	3	2	0	13	9
C-37	0	1	0	0	0	2	3	
PAVS	0	0	0	24	48	0	42	
C-17CJ	0	4	4	4	4	5	21	
VXZ (E-6)Hano	0	0	0	0	0	0	4	
PAV2	9	32	15	29	30	23	145	17a
CN-53E	0	0	0	0	2	5	7	
PAV2-1H1	9	14	12	3	10	21	108	81
MH-105	13	15	26	30	40	40	154	
MR-60R	6	10	8	15	21	31	111	112
UCAS	0	0	0	0	0	0	0	
VTUVAF (Fwncout)	0	0	0	2	0	0	6	
BAMS UAL	0	0	0	2	8	0	10	
CSX	0	0	0	0	2	0	9	
<b>TOTAL</b>	<b>99</b>	<b>100</b>	<b>90</b>	<b>123</b>	<b>104</b>	<b>264</b>	<b>205</b>	<b>1037</b>

$$-4.47 \pm 0.03 \text{ eV} \quad \text{Oxide peak energy } -5.33 \pm 0.03 \text{ eV} \quad -4.4 \pm 0.4 \text{ eV} \quad \text{Fermi level} = -8.07 \text{ eV}$$

- Investment in transformational unmanned underwater vehicles (UUV) like the Long-Term Mine Reconnaissance System, and unmanned aviation vehicles (UAV) such as the Broad Area Maritime Surveillance UAV and the Joint – Unmanned Combat Air System. The budget also requests funding for experimental hull forms like the X-Craft, and other advanced technologies including the Joint Aerial Common Sensor (JACS).

### Where We're Headed ... Sea Enterprise

As I've already testified above, your Navy today is the most capable and most ready Navy in our history—in the world's history—and clearly thanks to the support of this Congress and of the American people. But, I believe that we can still do better—that, in fact, we must do better—as stewards of the public trust in determining not just how much we should spend on programs, but how those defense dollars are spent. This is especially true today because of the strategic challenges posed by the ongoing global war on terrorism, because of our need to recapitalize aging infrastructure and capability, and because of the burgeoning technological and operational changes that will dramatically alter the way we fight. Revolutionizing the way in which our defense dollars are spent presents further opportunities to increase our effectiveness, both now and in the future. Our Sea Enterprise initiative is focusing headquarters leadership on outputs and execution, and is creating ideas that will improve our productivity and reduce our overhead costs. Its key objectives are to:

- Leverage technology to improve performance and minimize manpower costs,
- Promote competition and reward innovation and efficiency,
- Challenge institutional encumbrances that impede creativity and boldness in innovation,
- Aggressively divest non-core, under-performing or unnecessary products, services and production capacity,
- Merge redundant efforts,
- Minimize acquisition and life-cycle costs,
- Maximize in-service capital equipment utilization,
- Challenge every assumption, cost and requirement.

Senior Navy leaders, civilian and uniformed, are actively engaged, as a board of directors, in tracking the execution of ongoing Sea Enterprise initiatives totaling approximately \$40B, and identifying \$12.4B in cost savings and requirements mitigation



across the Future Years Defense Program (FYDP). We are committed to efficiency and productivity improvements that will generate the savings necessary to augment our investment stream and implement our Sea Power 21 vision of delivering the right force, with the right readiness, at the right cost. Specific highlights of these fiscal transformation initiatives to date include:

- Right Readiness. Along with the Fleet Response Plan, we have also initiated processes ashore that will generate a more effective force. As just one example introduced previously above, we have established a single shore installation management organization, Commander Navy Installations (CNI), to globally manage all shore installations, promote “best practices” development, and provide economies of scale, increased efficiency, standardization of policies, and improved budgeting and funding execution. The CNI alone is anticipated to harvest approximately \$1.2B across the FYDP.
- Right Cost. We've taken a hard look at our "level of effort" programs to maximize return on taxpayer investment, these programs lack performance-based metrics in force structure, readiness or cost benefit. This year's effort reduced the requirements for these accounts by nearly \$2B across the FYDP, allowing us to reallocate these funds toward higher Navy priorities. In addition, we focused on streamlining our organizations and processes as a means to further improve efficiencies and control costs. Innovative programs like SHIPMAIN and the Naval Aviation Readiness Integrated Improvement Program are aiding in developing and sharing best practices, streamlining maintenance planning and improving performance goals in shipyards, aviation depots, and intermediate maintenance activities. We also reorganized the Navy Supply Systems Command, including the establishment of the Naval Operational Logistics Support Center to consolidate transportation, ammunition and petroleum management. We

will continue to look for additional opportunities in this area while leveraging the gains already made.

- Right Force. We believe transformation to our future force must include improving our buying power. To improve upon our force structure, we're divesting non-core, redundant, under-performing, and outdated products and services. We are using multi-year procurement contracts and focusing where possible on economic order quantity purchase practices to optimize our investments. An excellent example lies in the F/A-18E/F multi-year procurement contract that anticipates procurement of 210 aircraft while saving us in excess of \$1.1B across the FYDP. We also recognize the need to transform our single greatest asymmetric advantage, our people. The upcoming year will focus on ensuring we not only have the right number, but the right mix of military, civilian, and contractor personnel to accomplish the mission at the lowest possible cost. You've given us a tremendous tool to enhance our flexibility in this area, the National Security Personnel System, and we plan to take full advantage of it.

In 2005, the Navy will continue to pursue product and process efficiencies and the opportunities to be more effective while improving our war fighting capability. Harvesting the savings for recapitalization is a vital part of that effort, and we will continue to balance the benefits of new productivity initiatives against operational risks. Our intent is to foster a culture of continuous process improvement, reduce overhead, and deliver the right force structure both now and in the future. I want you to be confident that the budget you write into law is the best estimate possible of what the Navy needs to be ready to serve America both now and in the future.

**Where We're Headed ... Sea Warrior**

It is important to note that the improvements to our operational availability of forces and our demand for increased efficiency in maintaining readiness will not be made on the backs of our people. We have a smart, talented force of professionals who have chosen a lifestyle of service. Our ability to challenge them with meaningful, satisfying work that lets them make a difference is part of our covenant with them as leaders.

A new operating concept like the Fleet Response Plan could not be implemented if we still had the kind of manpower-intensive mindset to problem solving that we had just five years ago. But today, thanks to your sustained investment in science and technology among others, we have already realized some of the advancements in information technology, simulators, human system integration, enterprise resource planning, web-enabled technical assistance and ship and aircraft maintenance practices that can reduce the amount of labor intensive functions, the training and the technical work required to ensure our readiness. More output... at reduced cost.

As our Navy becomes more high tech, so must our workforce. Our people will be a more educated and experienced group of professionals in the coming years, and we must properly employ their talents. We will spend what is necessary to equip and enable these outstanding young Americans, but we do not want to spend one extra penny for manpower that we do not need. As part of that effort, we continue to pursue the kind of new technologies and competitive personnel policies that will streamline both combat and non-combat personnel positions, improve the two-way integration of active and reserve missions, and reduce the Navy's total manpower structure. To that end, we are proposing a FY05 Navy end strength reduction of 7,900 personnel.

We will use existing authorities and our Perform to Serve program to preserve the specialties, skill sets and expertise needed to continue properly balancing the force. We intend to build on the positive growth and momentum of retention and attrition metrics achieved over the last three record-breaking years. And we are fully committed to



ensuring every Sailor has the opportunity and resources available to succeed. Our goal remains attracting, developing, and retaining the most highly skilled and educated workforce of warriors we have ever had to lead the 21st century Navy.

Sea Warrior is designed to enhance the assessment, assignment, training and educating of our Sailors. Our FY05 budget request includes the following tools that we require to enhance mission accomplishment and provide professional growth within our Sea Warrior program.

- Optimal Manning: Optimal manning is one of the innovative personnel employment practices being implemented throughout the fleet. Experiments in USS BOXER (LHD 4), USS MILIUS (DDG 69) and USS MOBILE BAY (CG 53) produced revolutionary shipboard watch standing practices, while reducing overall manning requirements and allowing Sailors to focus on their core responsibilities. The fleet is implementing best practices from these experiments to change Ship Manning Documents in their respective classes. Optimal manning means optimal employment of our Sailors.
- Sea Swap: We have our fourth crew aboard USS FLETCHER (DD 992) and our third crew aboard USS HIGGINS (DDG 76) in our ongoing Sea Swap initiative. This has saved millions of dollars in transit fuel costs and increased our forward presence without lengthening deployment times for our Sailors. FLETCHER and HIGGINS will return to San Diego later this year after a period of forward deployed operations of 22 months and 17 months respectively. We will continue to assess their condition and deep maintenance needs to develop and apply lessons learned to future Sea Swap initiatives.
- Selective Reenlistment Bonus (SRB): Targeted bonuses such as SRB are critical to our ability to compete for highly trained and talented workforce both within the Navy and with employers across the nation. Proper funding, adequate room for growth and flexible authority needed to target the right skills against the right market forces are important to accurately shape the workforce. This program

specifically targets retention bonuses against the most critical skills we need for our future. We ask for your continued support and full funding of this program.

- Perform to Serve (PTS): Last year, we introduced PTS to align our Navy personnel inventory and skill sets through a centrally managed reenlistment program and instill competition in the retention process. The pilot program has proven so successful in steering Sailors in over-manned ratings into skill areas where they are most needed that the program has been expanded. More than 2,400 Sailors have been steered to undermanned ratings and approved for reenlistment since the program began last February and we will continue this effort in 2005.
- Assignment Incentive Pay (AIP) is a financial incentive designed to attract qualified Sailors to a select group of difficult to fill duty stations. AIP allows Sailors to bid for additional monetary compensation in return for service in these locations. An integral part of our Sea Warrior effort, AIP will enhance combat readiness by permitting market forces to efficiently distribute Sailors where they are most needed. Since the pilot program began last June, more than 1,100 AIP bids have been processed resulting in 238 Sailors receiving bonuses for duty in these demanding billets that previously were difficult to keep fully manned with the highest quality Sailors. We ask for continued support of this unique initiative.
- Professional Military Education (PME): We are taking a more comprehensive approach to the continuing education of our people than we have in the past. We are in the process of developing a PME continuum that integrates general education, traditional Navy-specific Professional Military Education (NPME), and Joint Professional Military Education (JPME) curricula. This will allow us to develop a program that fully incorporates all aspects of our professional and personal growth and improve individual readiness through providing a complete set of training needs. Advances thus far include establishing networks with

civilian educational institutions, developing new degree programs, and establishing partnerships with other services' institutions. We are also expanding opportunity through distance learning and the Internet. Specifically, the Naval Postgraduate School in Monterey has embraced partnerships and developed distance learning programs that more than doubled its enrollment to nearly 10,000 degree and short course students throughout the world, including the first national Homeland Security curriculum, expansion of enrollment to include enlisted personnel, as well as advanced education opportunities in nearly 140 countries. This is just one example of how we are committed to broadening the professional and intellectual horizons of both our officers and our enlisted men and women to prepare them to operate tomorrow's fleet and assume key naval and Joint leadership roles.

- Human Performance Center (HPC) has been established to apply Human Performance and Human System Integration principles in the research, development and acquisition processes. In short, the HPS will help us understand the science of learning. The center will ensure training is driven by Fleet requirements and they will focus requirements on the performance needed to carry out our missions. This will eliminate potential performance and training deficiencies, save money and help us improve our readiness.
- The Integrated Learning Environment (ILE) is at the heart of our Revolution in Training. ILE is a family of systems that, when linked, will provide our Sailors with the ability to develop their own learning plans, diagnose their strengths and weaknesses, and tailor their education to support both personal and professional growth. They will manage their career requirements, training and education records. It will match content to career requirements so training is delivered at the right time. Most importantly, these services will be provided anytime, anywhere via the Internet and the Navy-Marine Corps Intranet (NMCI).



We are taking advantage of every opportunity to accelerate incorporating the best tools available to develop the 21st Century workforce. The improvements and pilot programs that this Congress has supported—including bonuses, pay table adjustments, retirement reforms, better medical benefits, and our Sea Warrior initiatives—are having the desired impact.

Your support of our FY05 request for a 3.5 percent basic pay raise, for our efforts to transform our manpower structure in some fundamental ways, and for a reduction in average out-of-pocket housing costs from 3.5 percent to zero will have a direct effect on our ability to properly size and shape the 21st century workforce that is our future.

### **Conclusion**

I would like to express my deep appreciation to the members of this committee for your lasting support in sustaining this nation's Navy. It is today the most capable Navy we have ever put to sea, maintaining persistent, flexible forces forward and the ability to surge significant combat power quickly, wherever required. And it needs to be given the uncertainty of the future. We firmly believe that we made the right choices for fiscal year 2005, choices that will allow the Navy to control the world's oceans—and hence, our global economic and political interests—and deliver credible, persistent combat power from the sovereign expanse of the sea around the globe.

Again, I wish to thank the Committee for this opportunity to appear before you today. I am very happy to answer any questions you may have.

**STATEMENT OF**  
**GENERAL T. MICHAEL MOSELEY**  
**VICE CHIEF OF STAFF**  
**DEPARTMENT OF THE AIR FORCE**

**Before the**

**READINESS SUBCOMMITTEE**

**HEARING ON**  
**ADEQUACY OF THE FISCAL YEAR 2005 BUDGET**  
**TO MEET READINESS NEEDS**

***Thursday, March 11, 2004***

**Written Statement of the Vice Chief of Staff of the Air Force**  
**House Armed Services Committee**  
**Readiness Subcommittee**  
**11 March 2004**

Chairman Hefley, Congressman Ortiz, Committee members, thank you for this opportunity to once again appear along side my distinguished colleagues to present the readiness status of the world's greatest Air Force. As the Air Force's Vice Chief of Staff, it is my privilege to report on the our key programs and on behalf of Airmen stationed around the globe and those flying right now, I want to thank this committee for your continued focus on readiness and the challenges facing our airmen today. We are a ready force – expeditionary in nature – and global in execution. Whether operating here at home or supporting the simultaneous joint force commanders across the globe, our mission success has been a testament to our current state of readiness and your dedication. In terms of Air Force readiness, Congressional attention, particularly from this Committee, has paved the way for the substantive increases we saw in our ability to prosecute this nation's National Security Strategy over the past few years. The renewed emphasis on such programs as spare parts, depot maintenance, and munitions stockpiles laid the foundation for readiness and mission capable rates that our Air Force has not seen in some time. At the same time, your Committee's increases to our flying hour, training, and general Operations and Maintenance (O&M) funding made it possible for our force to remain the most proficient Air Force in the world. In short, because of the improvements that Congress supported over the past few years, enemies like the Ba'athist regime of Saddam Hussein could not have picked a worse possible time to confront the United States. They met a joint force composed of the best Airmen, soldier, sailors, and Marines with the best equipment the world had ever seen. With this continued level of support we can reset the force, recapitalize our vital air and space capabilities, and bring technology to the warfighter – all while providing air and space power, one of this Nation's most lethal and responsive capabilities to the fight.

**LOOKING BACK AT 2003**

The year 2003 marked another historic milestone for the U.S. and the Air Force in the Global War on Terrorism. Since September 11, 2001, air and space power has proven



indispensable to securing American skies, defeating the Taliban, denying sanctuary to al Qaeda and other terrorist organizations, and most recently, removing a brutal and oppressive dictator in Iraq. This Global War on Terrorism imposes on airmen a new steady state of accelerated operations and personnel tempo (PERSTEMPO), as well as a demand for unprecedented speed, agility, and innovation in defeating unconventional and unexpected threats, all while bringing stability and freedom to Afghanistan and Iraq. The Air Force and its airmen will meet these demands.

### **Operation NOBLE EAGLE**

High above our nation, airmen protect our skies and cities through air defense operations known as Operation NOBLE EAGLE (ONE). The Total Force team, comprised of active duty, Air National Guard, and Air Force Reserve airmen, conducts airborne early warning, air refueling, and combat air patrol operations in order to protect sensitive sites, metropolitan areas, and critical infrastructure.

This constant "top cover" demands significant Air Force assets above the pre-September 11th tempo. Since 2001, the Air Force has flown over 34,000 fighter, tanker, and airborne early warning sorties. Last year alone the Air Force scrambled nearly 1,000 aircraft, responding to 800 incidents. Eight active duty, eight Air Force Reserve, and 18 Air National Guard units provided 1,300 tanker sorties offloading more than 32 million pounds of fuel for these missions. Last year, over 2,400 airmen stood vigilant at air defense sector operations centers and other radar sites. Additionally, in 2003, we continued to institutionalize changes to our homeland defense mission through joint, combined, and interagency training and planning. Participating in the initial validation exercise DETERMINED PROMISE-03, the Air Force illustrated how its air defense, air mobility, and command and control capabilities work seamlessly with other agencies supporting NORTHCOM and Department of Homeland Security objectives. The integration and readiness that comes from careful planning and rigorous training will ensure the continued security of America's skies.

### **Operation ENDURING FREEDOM**

Operation ENDURING FREEDOM - Afghanistan (OEF) is ongoing. Remnants of Taliban forces continue to attack U.S., NATO, coalition troops, humanitarian aid workers, and others involved in the reconstruction of Afghanistan. To defeat this threat, aid coalition stability, and support operations, the Air Force has maintained a presence of nearly 24,000 airmen in and

around the region. Having already flown more than 90,000 sorties (over 72 percent of all OEF missions flown), the Air Force team of active, Guard, and Reserve airmen continue to perform ISR, close air support (CAS), aerial refueling, and tactical and strategic airlift.

While fully engaged in ONE and OIF, the men and women of the Air Force provided full spectrum air and space support, orchestrating assets from every service and ten different nations. Of these, Air Force strike aircraft flying from nine bases flew more than two-thirds of the combat missions, dropped more than 66,000 munitions (9,650 tons) and damaged or destroyed approximately three-quarters of planned targets. In 2003 alone, Air Force assets provided more than 3,000 sorties of on-call CAS, responding to calls from joint and/or coalition forces on the ground.

Last year, the Air Force brought personnel and materiel into this distant, land-locked nation via 7,410 sorties. Over 4,100 passengers and 487 tons of cargo were moved by airmen operating at various Tanker Airlift Control Elements in and around Afghanistan. To support these airlift and combat sorties and the numerous air assets of the coalition with aerial refueling, the Air Force deployed over 50 tankers. In their primary role, these late 1950s-era and early 1960s-era KC-135 tankers flew more than 3,900 refueling missions. In their secondary airlift role, they delivered 3,620 passengers and 405 tons of cargo. Without versatile tankers, our armed forces would need greater access to foreign bases, more aircraft to accomplish the same mission, more airlift assets, and generate more sorties to maintain the required duration on-station.

Operations in Afghanistan also highlight U.S. and coalition reliance on U.S. Space capabilities. This spanned accurate global weather, precise navigation, communications, as well as persistent worldwide missile warning and surveillance. For example, OEF relied on precision navigation provided by the Air Force's GPS constellation, over-the-horizon satellite communications (SATCOM), and timely observations of weather, geodesy, and enemy activity. To accomplish this, space professionals performed thousands of precise satellite contacts and hundreds of station keeping adjustments to provide transparent space capability to the warfighter. These vital space capabilities and joint enablers directly leveraged our ability to pursue U.S. objectives in OEF.

#### **Operations NORTHERN WATCH and SOUTHERN WATCH**

During the past 12 years, the Air Force flew over 391,000 sorties enforcing the northern and southern no-fly zones over Iraq. With the preponderance of forces, the Air Force, along with the Navy and Marine Corps, worked alongside the Royal Air Force in Operations NORTHERN WATCH (ONW) and SOUTHERN WATCH (OSW). Manning radar outposts and established C2 centers, conducting ISR along Iraq's borders, responding to almost daily acts of Iraqi aggression, and maintaining the required airlift and air refueling missions taxed Air Force assets since the end of Operation DESERT STORM. Yet, these successful air operations had three main effects: they halted air attacks on the ethnic minority populations under the no-fly zones; they deterred a repeat of Iraqi aggression against its neighbors; and they leveraged enforcement of United Nations Security Council Resolutions. Throughout this period, our airmen honed their warfighting skills, gained familiarity with the region, and were able to establish favorable conditions for OIF. For more than a decade, American airmen rose to one of our nation's most important challenges, containing Saddam Hussein.

### **Operation IRAQI FREEDOM**

On 19 March 2003, our airmen, alongside fellow soldiers, sailors, marines and coalition teammates, were called upon to remove the dangerous and oppressive Iraqi regime -- this date marked the end of ONW/OSW and the beginning of OIF. OIF crystallized the meaning of jointness and the synergies of combined arms and persistent battlefield awareness.

In the first minutes of OIF, airmen of our Combat Air Forces (USAF, USN, USMC, and coalition) were flying over Baghdad. As major land forces crossed the line of departure, Air Force assets pounded Iraqi command and control facilities and key leadership targets, decapitating the decision-makers from their fielded forces. Remaining Iraqi leaders operated with outdated information about ground forces that had already moved miles beyond their reach. As the land component raced toward Baghdad, coalition strike aircraft were simultaneously attacking Iraqi fielded forces, communications and command and control centers, surface-to-surface missile launch sites, and were supporting special operations forces, and ensuring complete air and space dominance in the skies over Iraq. Due to these actions and those during the previous 12 years, none of the 19 Iraqi missile launches were successful in disrupting coalition operations, and not a single Iraqi combat sortie flew during this conflict. Twenty-one days after major combat operations began, the first U.S. land forces reached Baghdad. Five days later, the last major city in Iraq capitulated.



The Air Force provided over 7,000 CAS sorties to aid land forces in the quickest ground force movement in history. Lieutenant General William S. Wallace, Commander of the U.S. Army V Corps said, "none of my commanders complained about the availability, responsiveness, or effectiveness of CAS -- it was unprecedented!" As Iraqi forces attempted to stand against the integrated air and ground offensive, they found a joint and coalition team that was better equipped, better trained, and better led than ever brought to the field of battle.

Training, leadership, and innovation coupled with the Air Force's recent investment in air mobility allowed U.S. forces to open a second major front in the Iraqi campaign. Constrained from access by land, Air Force C-17s airdropped over 1,000 paratroopers from the 173<sup>rd</sup> Airborne Brigade into northern Iraq. This successful mission opened Bashur airfield and ensured U.S. forces could be resupplied.

Before 2003, the Air Force invested heavily in the lessons learned from OEF. Shortening the "kill chain," or the time it took to find, fix, track, target, engage, and assess was one of our top priorities. This investment was worthwhile, as 156 time-sensitive targets were engaged within minutes, most with precision weapons. The flexibility of centralized control and decentralized execution of air and space power enabled direct support to JFC objectives throughout Iraq. Coalition and joint airpower shaped the battlefield ahead of ground forces, provided intelligence and security to the flanks and rear of the rapidly advancing coalition, and served as a force multiplier for Special Operations forces. This synergy between Special Operations and the Air Force allowed small specialized teams to have a major effect throughout the northern and western portions of Iraq by magnifying their inherent lethality, guaranteeing rapid tactical mobility, reducing their footprint through aerial resupply, and providing them the advantage of "knowing what was over the next hill" through air and space-borne ISR.

The Air Force's C2ISR assets enabled the joint force in Afghanistan as well. This invaluable fleet includes the RC-135 Rivet Joint, E-8 JSTARS, and the E-3 AWACS. This "Iron Triad" of intelligence sensors and C2 capabilities illustrates the Air Force vision of horizontal integration in terms of persistent battlefield awareness. Combined with the Global Hawk unmanned aerial vehicle and Predator remotely piloted aircraft, spaced-based systems, U-2, and Compass Call, these invaluable system provided all-weather, multi-source intelligence to commanders from all services throughout the area of responsibility.

OIF was the Predator's first "networked" operation. Four simultaneous Predator orbits were flown over Iraq and an additional orbit operated over Afghanistan, with three of those orbits controlled via remote operations in the U.S. This combined reachback enabled dynamic support to numerous OIF missions. Predator also contributed to our operational flexibility, accomplishing hunter-killer missions, tactical ballistic missile search, force protection, focused intelligence collection, air strike control, and special operations support. A Hellfire equipped Predator also conducted numerous precision strikes against Iraqi targets, and flew armed escort missions with U.S. Army helicopters.

Space power provided precise, all-weather navigation, global communications, missile warning, and surveillance. The ability to adapt to adverse weather conditions, including sandstorms, allowed air, land, and maritime forces to confound the Iraqi military and denied safe haven anywhere in their own country. As the Iraqis attempted to use ground-based GPS jammers, Air Force strike assets destroyed them, in some cases, using the very munitions the jammers attempted to defeat. As Defense Secretary Donald Rumsfeld noted, this new era was illustrated by the coalition's "unprecedented combination of power, precision, speed, and flexibility."

During the height of OIF, the Air Force deployed 54,955 airmen. Ambassador Paul Bremer, Chief of the Coalition Provisional Authority, pronounced, "In roughly three weeks [we] liberated a country larger than Germany and Italy combined, and [we] did so with forces smaller than the Army of the Potomac." Led by the finest officers and non-commissioned officers, our airmen flew more than 79,000 sorties since March of 2003. Ten thousand strike sorties dropped 37,065 munitions. The coalition flew over 55,000 airlift sorties moved 469,093 passengers and more than 165,060 tons of cargo. In addition, over 10,000 aerial refueling missions supported aircraft from all services, and 1,600 ISR missions provided battlespace awareness regardless of uniform, service, or coalition nationality. This was a blistering campaign that demanded a joint and combined effort to maximize effects in the battlespace.

Today, Air Force airmen continue to contribute to the joint and coalition team engaged in Iraq. At the end of the year, 6,723 airmen from the active duty, Reserve, and Air National Guard conducted a wide range of missions from locations overseas, flying approximately 150 sorties per day including CAS for ground forces tracking down regime loyalists, foreign fighters, and terrorists. On a daily basis, U-2 and RC-135 aircraft flew ISR sorties monitoring the porous

borders of Iraq and providing situational awareness and route planning for Army patrols in stability and support operations. Providing everything from base security for 27 new bases opened by the coalition to the "lifeline of supplies that air mobility and air refueling assets bring to all joint forces, Air Force airmen are committed to the successful accomplishment of the U.S. mission in Iraq.

#### **Other Contingency Operations**

In 2003, the Air Force remained engaged in America's war on drugs and provided support to NATO ground forces in the Balkans. Since December 1989, Air Force airmen have been an irreplaceable part of the interagency fight against illegal drug and narcotics trafficking. Deployed along the southern U.S., in the Caribbean, and Central and South America, airmen perform this round-the-clock mission, manning nine ground-based radar sites, operating ten aerostats, and flying counter drug surveillance missions. The Air Force detected, monitored, and provided intercepts on over 275 targets attempting to infiltrate our airspace without clearance. Along with our interagency partners, these operations resulted in 221 arrests and stopped hundreds of tons of contraband from being smuggled into our country.

In the Balkans, airmen are fully committed to completing the mission that they started in the 1990s. Today, Air Force airmen have flown over 26,000 sorties supporting Operations JOINT GUARDIAN and JOINT FORGE. These NATO-led operations combine joint and allied forces to implement the Dayton Peace Accords in Bosnia-Herzegovina and enforce the Military Technical Agreement in Kosovo. At the end of 2003, approximately 800 airmen were supporting NATO's goal of achieving a secure environment and promoting stability in the region.

Additionally, the Air Force engaged in deterrence and humanitarian relief in other regions. While the world's attention was focused on the Middle East in the spring of 2003, our nation remained vigilant against potential adversaries in Asia. The Air Force deployed a bomber wing -- 24 B-52s and B-1s -- to the American territory of Guam to deter North Korea. At the height of OIF, our Air Force demonstrated our country's resolve and ability to defend the Republic of Korea and Japan by surging bomber operations to over 100 sorties in less than three days. This deterrent operation complemented our permanent engagement in Northeast Asia. The 8,300 airmen who are stationed alongside the soldiers, sailors, Marines, and our Korean allies maintained the United Nations armistice, marking 50 years of peace on the peninsula.



Our strength in deterring aggression was matched by our strength in humanitarian action. In response to President Bush's directive to help stop the worsening crisis in Liberia, we deployed a non-combat medical and logistics force to create a lifeline to the American Embassy and provide hope to the Liberian people. An Expeditionary Group of airmen provided airlift support, aeromedical evacuation, force protection, and theater of communications support. Flying more than 200 sorties, we transported and evacuated civilians and members of the Joint Task Force (JTF) from bases in Sierra Leone and Senegal. The 300 airmen deployed in support of JTF-Liberia reopened the main airport in Monrovia, and ensured the security for U.S. military and civilian aircraft providing relief aid.

### **Strategic Deterrence**

The ability of U.S. conventional forces to operate and project decisive force is built on the foundation of our strategic deterrent force; one that consists of our nuclear-capable aircraft and Intercontinental Ballistic Missile forces, working with the U.S. Navy's Fleet Ballistic Missile Submarines. In 2003, these forces as well as, persistent overhead missile warning sensors and supporting ground-based radars, provided uninterrupted global vigilance deterring a nuclear missile strike against the U.S. or our allies. The dedicated airmen who operate these systems provide the force capability that yields our deterrent umbrella. Should that deterrence fail, they stand ready to provide a prompt, scalable response.

### **RESETTING THE FORCE**

Preparing and maintaining a force that can adapt to the realities of the new security environment requires the Air Force to reset and reconstitute the capabilities that brought us such outstanding successes in 2003. It is important to restate, the Air Force must reconstitute similar capabilities that were successful, not necessarily the same equipment. For the Air Force we view capabilities as more than just commodities. Beyond just equipment, Air Force warfighting capabilities depend on training and a sustainable battle rhythm for the entire force. Synchronizing these aspects, eliminating duplicative capabilities, and capitalizing on technological advances will all ensure efficiency and most importantly combat readiness. To frame our reset and reconstitution plans we must continue to look at three factors.

First, we are still engaged with very dangerous enemies throughout the globe. We must replenish our stocks, our people, and our ability to project power around the world. Being prepared to deliver precise effects anywhere at anytime as part of a joint and/or coalition force is

a top priority. Second, we must rapidly incorporate our lessons learned and implement those changes to maintain our combat edge. As we remain engaged, our current opponents, as well as would-be adversaries, are watching and learning from the new America way of war. The Air Force must ensure that we capitalize on our successes and our lessons from these recent conflicts. Third, stabilization operations and our ability to capitalize on our successes in OEF and OIF require significant assets and a robust American presence. After opening thirty-eight new or expanded bases in support of OEF and OIF and shifting our focus and forces, we must ensure that our enduring presence is equipped to meet the challenges of their new environments

#### **Air and Space Expeditionary Force**

Last year, I testified on behalf of the Air Force that we planned to return to pre-OIF rotational cycles by March 2004. Unfortunately, we now project the AEF – including its integral Low-density/High demand assets will not be fully reset until March 2005. Continued surge operations of several enabling capability-sets is creating new challenges for reconstitution efforts and extending the time to fully restore the readiness of AEF operations by more than twelve months. The previous plan to recover the AEF to sustainable operations ( $\leq 2.0$  AEFs on 90-day rotations) have been complicated by growing global combatant commander requirements across the board. The AEF continues to be operating in higher than normal sustained pace, approaching four AEF's worth of capability in some stressed career fields which are committed at any given moment. The AEF has sustained an operational pace higher than planned to meet increased operational expeditionary air bases requirements in theater and especially the need for additional expeditionary support to meet other Service needs.

#### **Training**

I also testified that even with our aggressive efforts to reset certain low density/high demand capabilities, our Expeditionary Combat Support, Intelligence Surveillance, and Reconnaissance assets, and Security Forces, will not meet the March 2004 goal. Due to sustained combat operations and training backlogs, this remains the case. Manpower and equipment shortages due to combat requirements have affected the training pipelines at most of our Formal Training Units. Particularly harsh, training delays in our low density/high demand (LD/HD) assets have increased by several months. In some cases, training backlogs for major weapons systems have grown to over 200 days, with "get well" dates not until the fall of 2005. In addition to manpower and equipment shortages, aging aircraft and scheduled fleet upgrades

have also reduced available training assets, further aggravating training delays. Lastly, flying hours for training have been limited due to high deployment schedules for most weapons systems. One illustration of this problem can be found in the C-130 fleet. While they flew only 43% of the programmed training hours in FY 2003; their high ops tempo in support of ONE, OEF, and OIF resulted in the C-130 fleet flying 218% of their programmed "customer-support" hours.

#### **War Reserve Stocks**

Air Force war reserve stocks are comprised of consumables, vehicles, ammunition, and BEAR. We estimate our total cost to replenish all WRM requirements at \$1.96B [wartime consumables (\$131M); vehicles (\$711M for ~4700 vehicles; support equipment (\$82M); and BEAR (\$1.035B including \$331M in the FY03 supplemental)]. FY05 funding allows reconstitution of our fuels equipment and vehicles in approximately 24 months. We plan for full reconstitution of our BEAR kits by FY07 and our four Afloat Preposition Ships with ammunition aboard are all on station.

With combat operations still ongoing, we fill requirements for significant Expeditionary Combat Support and Base Operating Support for all our joint forces and in some cases coalition partners. These systems are critical to our continued force projection capability. We are aggressively reconstituting our Basic Expeditionary Airfield Resources (BEAR) sets, which are used to provide basic infrastructure needed to beddown personnel and aircraft at austere locations anywhere in the world. Currently 41% of BEAR capability is ready for deployment (63/152 BEAR Sets). Over the next 24 months, readiness will continue to improve as BEAR sets deployed to OIF are reconstituted and new assets are delivered into the inventory due to the supplemental funding received.

#### **MAINTAINING READINESS DURING WARTIME**

Our \$27.1B Readiness Request ensures that the Air Force remains ready to perform our wide-ranging global missions, from space support to global strike to global mobility and homeland defense. Our fully funded Flying Hour Program funds consumables, spare parts, and fuels needed to sustain aircrew combat readiness. It requests funding for 1.7 million flying hours to maintain combat readiness and support joint operations around the world. It funds worldwide

mobility to ensure joint and coalition forces have the forces and equipment they need. Our budget funds facility sustainment at 95% and meets the Defense Department's goal.

A success story for Air Force readiness during wartime has been our aircraft availability. In FY 2003, we enjoyed our highest active overall mission capable rates in six years—the largest improvements since the mid-1980s. Mission Capable (MC) rates are perhaps the best-known yardstick for measuring the readiness of Air Force aircraft. MC rates reflect the percentage of aircraft by fleet that are capable of performing at least one of their assigned missions. Fourteen of twenty major weapon systems saw improved mission capable rates in FY 2003, at a time when all of our systems were flying more hours.

The FY 2003 aggregate MC rate of 75.9% was the highest rate achieved since FY 1997. Categorized by fleet, the current MC rate for our fighter fleet is 75.7%; well into the third year of increased MC rates and surmounting the FY 2001 low of 73.9%. The current FY 2004 Bomber Fleet rate stands at 71.4%, and the Tanker Fleet rate at 77.8%, a drop from the FY 2003 rate of 79.3%. Between January 1999 and June 2003, we saw a dramatic 60% reduction in aircraft grounding parts-backorders. These gains were due to robust spares funding initiatives, fleet consolidation, and transformation initiatives across the entire fleet. Another measure, cannibalization (CANN) rates reflect the number of cannibalization actions that occur per 100 sorties for a particular weapon system. The aggregate CANN rate for FY 2003 dropped 15% from the FY 2002 rate of 9.4 actions per 100 sorties. The FY 2003 rate of 8 CANNs per 100 sorties represents the lowest CANN rate since FY 1995.

Our engine availability rates reflected impressive gains as recent investments continued to pay dividends throughout FY02. Our U-2s sustained their mission capable rate while flying their most hours since the Gulf War, 35 percent higher than FY01. Our Predator fleet posted its best mission capable rates ever while averaging almost 200 hours per month. Our C-5s posted their best mission capable rates since FY96 while flying the most hours since the Gulf War. The B-1 consolidation is paying dividends, as our B-1s posted dramatic gains in mission capable rates, with current rates at historical highs. All of our fighters are experiencing a steady decline in cannibalization. We have made great strides in reducing the number of aircraft in depot for maintenance, putting over 25 percent more aircraft on the ramps for the warfighter since 2000. Fourteen of twenty aircraft major design systems improved their mission capable rates over the previous year, with Predator remotely operated aircraft improving by 11% and B-1 bombers



achieving the best mission capable and supply rates in the history of the aircraft. Thanks to proper funding, fleet consolidation, and transformation initiatives, spare parts shortages were reduced to the lowest levels recorded across the entire fleet. We are providing the right tools and resources to our airmen.

The Air Force continues to place emphasis on a solid depot maintenance program for DoD's weapon systems. For fiscal year 2005, we've increased Depot Purchased Equipment Maintenance (DPEM) funding over the previous budget position to ensure the proper level of support to the warfighter. Aging aircraft issues continue to make depot maintenance both expensive and challenging, and thus we are looking for innovative ways to guarantee the right mix of aircraft is available to the combatant commander at any given time.

Within our depots, we continue to look for ways to transform, reduce depot costs, and meet the needs of the warfighter by ensuring that the depots have the capacity to accomplish the required workload. An extremely important facet of the depots is that during wartime or contingencies, the Air Force can surge repair operations and realign capacity to support the warfighter's immediate needs. We will maintain the appropriate level of depot maintenance to ensure our aging fleet stands ready to deploy, fly, and fight anywhere, anytime.

Our depots have put some of these initiatives into place with exceptional results. In FY03 our depot maintenance teams were more productive than planned, exceeding aircraft, engine, and commodity production goals and reducing flow days in nearly all areas. Implementation of "lean" production processes, optimized use of the existing workforce, and appropriate funding all contributed to this good news story. In addition, our spares support to the warfighter is at record high numbers. In 2003, supply rates and cannibalization rates achieved their best performance since FY94 and FY95 respectively.

Again, the FY05 budget requests an increase in the operations/maintenance readiness funds from \$25.4B to \$27.1B. This readiness funding includes increases for Space Operations, Mission Support and Flying Hours, and includes a fully funded Flying Hour Program and Depot Maintenance funded to preferred readiness levels. Where funding does affect readiness, we have budgeted for and are committed to provide the necessary resources to our airmen.

In spite of continued funding increases in recent years, readiness indicators for the overall Air Force and the Major Operational units have continued to slowly decline, primarily due to higher OPSTEMPO of an aging fleet since the GWOT began - as we continue to reset and focus

more on managing OPSTEMPO, we expect readiness indicators to improve. As of 15 February 2004, overall readiness rates for major operational units (309) were at 63%. This figure represents a 7% decrease compared to readiness rates at the same time last year (prior to the start of Operation IRAQI FREEDOM). Overall readiness rates for major operational units dropped to their lowest point on 15 December 2003 (61%) but are now showing improvement during the last two months due to ongoing reconstitution efforts. Below is a snapshot of current readiness rates as of 15 February 2004 for each major operational community and the associated changes since February 2003. The arrow (**trend**) by each community represents recent readiness trends since Dec 2003.

ISR – 0% (down 9%)	↓	LD/HD
Special ops – 24% (down 24%)	↓	LD/HD
C2 – 30% (down 8%)	↑	
Bomber – 33% (down 29%)	↓	in transition
Rescue – 45% (down 1%)	↑	
Airlift – 66% (down 11%)	↑	
Fighter – 69% (down 7%)	↑	
Tanker – 86% (down 2%)	↓	in transition
Space and missile – 100% (up 7%)	↗	

### RECAPITALIZING THE CAPABILITY

With spreading technology and increasing parity of foreign nations, the mere maintenance of our aging aircraft and space systems will not suffice. Simply stated, our current fleet of legacy systems cannot ensure air and space dominance in future engagements. It is these risks and concerns that underpin our persistent advocacy of program stability in our modernization and investment accounts. Our capability-based planning and budgeting process is the foundation to accelerate modernization while maintaining gains in readiness and people. We are investing short-term and long-term across all of our task force capabilities, balancing modifications of existing systems with the development of new systems. Air Force modernization efforts are supporting our transformation goals while continuing to develop and field needed systems, with nearly half of our investment in RDT&E.

The aging fleet presents the Air Force with the challenge of providing the joint force commanders assets from an ever-shrinking pool of available platforms that cost more and more to maintain. To counter this trend, we are pursuing a wide range of strategies accelerates our modernization and recapitalization efforts. We are using an integrated and systematic risk assessment system, shorter acquisition cycle times, and improved program oversight. Our goal is to integrate our combat, information, electronic warfare and support systems to create a portfolio of air and space advantages.

As the Air Force has testified, our average fleet age has approximately 23 years in service. With some manufactured as early as 1955, our KC-135 fleet averages 44 years in service. We have never dealt with a force this old. Our aging aircraft are vulnerable to myriad problems, including technical surprises, vanishing vendors, and increased operational costs. Thanks to this Committee, we have recently enjoyed a down payment on our recapitalization but require sustained funding to maintain the force capable of supporting the National Security Strategy and JV2020. Eventually, new acquisitions will have to replace these legacy systems. In the interim, we are finding innovative means to keep current systems operational in the near term and are taking advantage of new opportunities to employ old systems in new ways.

#### **Dealing With Aging Aircraft Issues**

This new OPSTEMPO has demanded more of our entire fleet. Specifically, corrosion, high-cycle fatigue, and aging composites affect the Air Force's mission effectiveness and availability due to flight restrictions. Examples that epitomize the exact problem are found in a variety of fleets including the F-15Cs, A-10s, and KC-135s.

Averaging 20 years old, our premier legacy air dominance platform, the F-15C, suffered approximately 30 incidents of partial wing, horizontal and vertical stabilizer loss and wiring bundle fires that have resulted in many operational restrictions. Additionally, their maintenance man-hours are up 150% in the past 12 years. With an average fleet age of 22 years, our A-10s, which provided invaluable close air support to the joint force commander, has recently undergone inspections for wing cracks that affected 247 aircraft. Both of these cases illustrate that these problems are across the fleets versus aircraft tail number specific.

None of our aging aircraft fleets needs recapitalizing more than our tanker fleet. Previous Air Force testimony has continually stressed the importance of this fleet to the Air Force and to the Nation in terms of the Global War on Terror. The crux of our challenge is how the Air Force

will continue to provide these irreplaceable assets to the joint warfighter considering their limited availability at ever increasing costs. At the beginning of January 2004, 36% of the KC-135 fleet was unavailable including those in depot and those unit possessed but not mission capable. Of those that are available, mission capable rates continue trending downward. In addition to the unknown technical "surprises" which the fleet may encounter, known severe corrosion of this Eisenhower-era asset continues to concern us. Organic PDM and contract PDM prices to maintain the KC-135 continue to rise.

As many of you know, the Air Force has been very active on this front in an attempt to continue to fill the joint force commander's requirements for power projection. In testimony last week, I reemphasized the Air Force's requirement to recapitalize the tanker fleet and discussed the operational capabilities needed for a new tanker. The Air Force continues to communicate regularly with the Office of the Secretary of Defense regarding the tanker recapitalization process. OSD and the Air Force respect the role of Congress in the acquisition process and will meet the full intent of the 2004 National Defense Authorization Act (NDAA) by performing an Analysis of Alternatives (AOA) for long-term recapitalization of the tanker fleet. This AOA is an important step toward shaping our long-term tanker recapitalization plan, and we expect it to take approximately 18 months and be finished in Fiscal Year 2005.

We fully support Secretary Rumsfeld's recent direction that there be a pause in all negotiating and contracting activity with regard to what was previously called the 767 Tanker Lease Program. This pause is intended to last until the appropriate reviews are complete.

The Air Force remains committed to recapitalizing the tanker fleet in order to provide necessary capabilities to the joint warfighter. Recapitalization may begin through the normal procurement process for a KC-X replacement aircraft or, depending on the outcome of the current reviews directed by the Secretary of Defense, through the lease/purchase program that was signed into law late last year. The Authorization Language contemplated that a decision regarding a decision on the lease/purchase of an initial 100 tanker aircraft may precede the completion of an AOA. Throughout this recapitalization effort, DoD, the Air Force, and Congress will continue to work together closely to satisfy military needs, address congressional concerns, and exercise proper stewardship of taxpayer funds.

Another important tool in shaping our decisions was implemented last May. The new Air Force Fleet Viability Board establishes a continuous, repeatable process for fleet assessment



much like current Navy boards. Currently, the board is reviewing the C-5A. This ongoing assessment will likely report on or around 31 March 2004. Candidates for future boards will be reviewed annually to consider new concerns and should produce a comprehensive standardized approach to examining entire fleets of aircraft.

### **Aging Infrastructure**

In addition to air and space platforms, we must address our growing deficiencies in infrastructure. Improvements we secure for our air and space systems will be limited without addressing our foundational support systems. Deteriorated airfields, hangars, waterlines, electrical networks are just some of the infrastructure elements warranting immediate attention. Our investment strategy, to enable and modernize our installation capabilities and provide quality working and living environments, focuses on three simultaneous steps. First, we must dispose of excess facilities. Second, we must fully sustain our facilities and systems so they remain effective through their expected life. Third, we must establish a steady investment program to restore and modernize our critical facilities and infrastructure systems, while continually advancing our ability to protect our people and resources from the growing threat of terrorism.

We have accelerated our housing investment and expanded our privatization program. We have programmed projects to eliminate inadequate housing at all CONUS bases by 2007, except at four northern-tier locations where it will be completed by 2008. We will improve more than 3,600 units at 26 bases and support privatization of 7,000 units at seven bases. Committed to sustained improvements, the Air Force has increased this year's MILCON request by 10 percent. The Air Force has embarked on a strategy for 3 world-class depots and has increased funding for essential depot facilities upgrades and equipment modernization as part of our "Depot Maintenance Strategy and Master Plan." When you consider our level of effort across the entire infrastructure spectrum, we plan to invest more than \$4.8 billion in FY05.

### **A READY FORCE OF AIRMEN**

A ready force is founded on its people. The 700,000 men and women that comprise our Total Air Force--Active Duty, Guard and Reserve, and our civilians--are the best America has to offer. They are officers, enlisted, civilians, and contractors from every corner of the country and every walk of life. These world-class airmen are the key ingredients to sustaining our record of

success. Without exception we have been and will always be dedicated to recruiting, training, and retaining professional Airmen and wholeheartedly believe that the Air Force can make no greater investment and have no greater resource than in our people. They are our #1 weapon system.

The bottomline on personnel readiness is that our people are ready. We are sustaining our personnel readiness rates in the face of higher OPSTEMPO, manning shortages, and reduced training opportunities. ONE alerts and OEF/OIF deployments have left our operational units with less capability and opportunity to train. The Air Force fully funded the flying program in FY04 and will continue to fly 100 percent of the flying program. For the past three years, the Air Force has executed its budgeted O&M flying hours without requesting additional funding for contingency flying hours. Our airmen are gaining real-world experience you cannot create in a training environment. Today, over 70 percent of our rated aircrew is combat experienced!

However, many of our aircrew instructors have been pulled to fulfill priority operational requirements, making it difficult to train new aircrew to relieve the combat stress. This is especially true of our LD/HD assets which having been working at "surge" capacity. We recognize that some of the most significant detractors to unit readiness are lengthy, frequent deployments. Once airmen return from deployments they require up to a 90-day reconstitution period, primarily for personnel training. Maintaining our AEF rotation schedule helps stability and predictability, but most of our stressed career fields are exceeding the 90-day goal. While the Air Force has taken steps to mitigate the impact of lost training, sustained operations will remain a challenge. As long as the current OPSTEMPO persists, we expect Air Force training to improve, as training currencies and continuation training are achieved.

### **Recruiting**

We remain committed to an all-volunteer force. Our volunteer airmen are dedicated, experienced, smart, disciplined, and representative of our country as a whole. We recruit and promote the unique and diverse experiences and capabilities people from all backgrounds, all races, and all religions contribute to our combat capability.

Last year the Air Force completed one of its best recruiting years ever. This year, we expect to meet our annual accession goal of 37,000 by September 2004. With an increased advertising budget, enhanced hiring incentives and enlistment bonuses, and improved recruiter manning, the Air Force is making enlisted recruiting a priority, and it is paying off. The Air Force also

continues to attract the country's best and brightest college graduates to join our officer corps. We have introduced additional incentives to recruit more students into ROTC, especially those with science and engineering proficiencies. We continually adjust our goals to meet new force requirements and the demands of a competitive marketplace.

### **Training**

The Air Force requires sophisticated airmen who are trained to leverage technology and ready to perform in a fluid environment--Air and Space Leaders for the 21<sup>st</sup> Century. This will require targeted investments in the next generation of airmen, from the ground up and throughout their careers. To that end, the Air Force has introduced a coordinated effort to address all aspects of an airman's career development, professional education, and assignments in sum rather than individually. This deliberate force development effort generates policies tailored to the needs of the individual airman throughout his career. Comprehensive in scope, our training is doctrinally based and focused on three levels: tactical, operational, and strategic.

### **Force Shaping**

Our number one personnel challenge is adapting to the new steady state--a higher tempo of operations and a shifting skill mix requirement. With a 30 percent reduction in manpower since 1990 and a significant increase in worldwide taskings over that same period, the Air Force is experiencing a dramatic jump in operations and personnel tempo. We have discovered that while the number of airmen is adequate, the mix of skill sets and the military/civilian/contractor ratio must be adjusted to reflect new realities.

Recognizing the new demands placed on us by the war on terrorism, we initiated a comprehensive manpower review to determine relative stress amongst career fields and to explore options to alleviate that stress. Our analysis shows we need to shift manpower to stressed career fields to meet the demands of this new steady state, and we are in the process of doing this. We have realigned personnel into our most stressed specialties and hired additional civilians and contractors to free military members to focus on military duties. We have also made multi-million dollar investments in technology to reduce certain manpower requirements. We have redirected our training and accession systems and have cross-trained personnel from specialties where we are over strength to alleviate stressed career fields. Supporting the Secretary of Defense's vision of moving forces "from the bureaucracy to the battlefield."

## Retention

We have found that our high operations tempo and uneven workload are major determinants in an airman's decision to leave the Air Force. Because the skill-sets of our airmen are not easily replaced, we expend considerable effort to retain our people, especially those in high-technology fields and those in whom we have invested significant education and training. In 2003, we reaped the benefits of an aggressive retention program, aided by a renewed focus and investment on education and individual development, enlistment and retention bonuses, targeted military pay raises, and quality of life improvements. Our FY03 enlisted retention statistics tell the story. Retention for the first term airmen stood at 61%, and exceeded our goal by 6%. Retention for our second term and career airmen was also impressive, achieving 73% and 95% respectively. Continued investment in people rewards their service, provides a suitable standard of living, and enables us to attract and retain the professional we need.

Retention of pilots, navigators, and Air Battle Managers remains a major concern. Our flexible Aviator Continuation Pay (ACP) program is one important part of our broad-based solution. Encouragingly, the ACP long-term initial take rate rose sharply to 65 percent in FY03 from 47 percent in FY02. Retention for high tech specialties is also a concern as the pull from industry is strong. This draw is exacerbated by long, frequent deployments in many of our high tech career fields.

While high retention is in itself great news, we are faced with the fact that the Air Force is over its authorized end strength and our skill mix is out of balance. Being overstrength, however, serves as a mixed blessing that allows us to rebalance the skills without exacerbating manning problems in the stressed career fields as we draw down to authorized strength. Force Shaping permits us to tackle these challenges smartly.

The Air Force has reduced its civilian workforce by nearly 100 thousand since 1990, leaving only 10 percent of today's Air Force civilians with less than 10 years in service and over 40 percent eligible to retire in 5 years. We must revitalize our professional occupations with new hires while minimizing the impact on the existing civilian employees. Force shaping initiatives to restructure the civilian work force and enactment of the National Security Personnel System (NSPS) to provide the department with some streamlined authorities.



## **Future Total Force**

Like never before in the history of the Air Force, we are a Total Force. Mission success demands the interdependence of Active Duty, Air Reserve Component (ARC), civilian workforce and contractors. The ARC continues to be an integral part of the AEF as a total force, and accounts for more than three-fourths of our tactical airlift capability, two-thirds of our strategic airlift capability, two-thirds of our air refueling capability, and one-third of our strike fighters. The reserve component also makes significant contributions to our rescue and support missions, and has an increasing presence in space, intelligence and information operations. In all, the reserve component provides a ready force requiring minimum preparation for deploying in support of worldwide operations. As such, they need compensation, benefits, and entitlements commensurate with these increased responsibilities. We are committed to using ARC volunteers versus mobilization whenever possible to allow the units and members the flexibility needed to meet combatant commander requirements.

We are also reviewing our ARC manpower to minimize involuntary mobilization of ARC forces for day-to-day, steady state operations while ensuring they are prepared to respond in times of crisis. Since September 11<sup>th</sup>, the Guard and Reserve have played a greater role in the country's defense than ever before. But there is a limit to how many demands we can place on our ARC forces in the current environment. Historically the ANG and AFRC gain nearly 25 percent of separating Active Duty members. Continued high OPSTEMPO may threaten this source of recruiting and force the ARC to explore alternative options to make up the loss. We are also closely monitor this situation and are taking steps to relieve the pressure on the Guard and Reserve.

We are in the second year of our agreement to employ Army National Guard soldiers for Force Protection (FP) duties at Air Force installations, temporarily mitigating our FP shortfalls in Security Forces. We are executing an aggressive plan to rapidly burn down the need for Army augmentation by reducing our manpower requirements through the insertion of technology (to enable manpower avoidance), realigning current manpower within end strength limits, and maximizing use of ARC volunteers to replace departing Army National Guard soldiers. Coupled with civilian conversions and contracting options, we are expanding total force (civilian, contract, active duty and ARC) involvement while at the same time reducing the stress on our forces and the associated risks to our resources.

**CONCLUSION**

The greatest testament to Air Force readiness is our continued success in projecting power around the globe and protecting America and her allies from potential enemies. The Air Force, along with each of the members of this joint team, is proud of our operational successes over the past two years, but we cannot rest on our accomplishments. When our President and this nation called last year-- we were ready. Within twenty-one days, this joint team had effectively broken coherent resistance in Baghdad and collapsed the regime's control. Five days later, the joint and Coalition team captured the last major Iraqi city, unseated a despotic government and liberated approximately twenty-five million Iraqis. The readiness that made the Air Force's air and space power contribution possible was the result of the hard work of the thousands of Airmen and civilians of our Total Force. Our success was also a tribute to this Committee's leadership and its staunch support at such a critical time in our nation's history.

We stand ready. Ready to project power to any point on the face of the earth. Lethal and responsive, America's Airmen stand ready to act -- whenever and wherever they are called.

Mr Chairman, Congressman Ortiz, thank you for your support.

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MILITARY READINESS  
SUBCOMMITTEE OF  
THE HOUSE ARMED  
SERVICES COMMITTEE

STATEMENT OF  
LIEUTENANT GENERAL JAN C. HULY  
DEPUTY COMMANDANT PLANS, POLICIES, & OPERATIONS  
UNITED STATES MARINE CORPS  
BEFORE THE  
SUBCOMMITTEE ON MILITARY READINESS  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
CONCERNING  
READINESS  
ON  
MARCH 11, 2004

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THE HOUSE ARMED  
SERVICES COMMITTEE

### **Introduction**

Chairman Hefley, Congressman Ortiz, distinguished Members of the Committee; it is my privilege to report to you on the state of readiness of your Marine Corps. Your Marines are firmly committed to warfighting excellence, and the support of the Congress and the American people has been indispensable to our success in the Global War on Terrorism. Your sustained commitment to improving our Nation's armed forces to meet the challenges of today as well as those of the future is vital to the security of our Nation. On behalf of all Marines and their families, I thank the Committee for your continued support and commitment to the readiness of your Marine Corps.

### **Recent Operations & Current Status of Forces**

Marine Corps readiness and warfighting capabilities have figured prominently in U.S. military operations since September 2001 and the beginning of the Global War on Terrorism. In Operation Enduring Freedom, sea-based Marines projected power hundreds of miles inland to establish a stronghold deep in enemy territory. During Operation Iraqi Freedom, more than 76,000 Marines (including Reservists), their equipment, and supplies deployed to the Iraqi theater, using a combination of amphibious warships, Maritime Prepositioning Force (MPF) ships, and airlift. Once combat commenced, a Marine Corps combined-arms team advanced more than 450 miles from the sea, to Baghdad and beyond. In 2004, Marine Air-Ground Task Force (MAGTF) flexibility and agility continues to be demonstrated as our Marines stabilize and help to rebuild Iraq and Afghanistan and maintain our commitments afloat and ashore in other world regions.

United States Marines are deployed around the world in 2004 – from Iraq and Afghanistan to Northeast Asia, from the Republic of Georgia to the Horn of Africa, and from the



Philippines to Romania. Marines deployed at sea on the warships of Expeditionary Strike Groups are conducting sustained operations ashore in support of U.S. security interests and commitments. Our top priority continues to be to maintain a high state of readiness and to provide forces capable of meeting the demanding needs of the Unified Combatant Commanders and our Nation in the prosecution of the Global War on Terrorism.

Since the end of major combat operations in Iraq, the Marine Corps has been setting the force in order to enhance warfighting readiness for future contingencies. We have reloaded combat equipment and materiel on the ships of the Maritime Prepositioning Force Squadrons while also ensuring that the requirements for Operation Iraqi Freedom II are fulfilled. With our modernization and transformation goals in mind, we are using the funds provided by Congress to repair, refurbish, and where necessary, replace equipment.

Starting in January, and continuing through today, the Marine Corps is deploying forces to relieve the 3d Armored Cavalry Regiment and the 82d Airborne Division in Western Iraq in support of Operation Iraqi Freedom II. In preparation for this new mission, we have made a major effort to analyze lessons learned from the Iraqi campaign, and are determining how best to apply them in the current operating environment. Included in this effort is participation in the Army's Improvised Explosive Device (IED) Task Force, a joint effort to share the technology, as well as the Tactics, Techniques, and Procedures (TTP's) of countering the IED threat.

While the entire force is under some stress due to increases in unit Operations Tempo (Optempo), individual Deployment Tempo (Deptempo), and the effort to repair and maintain our equipment, we continue to meet our operational commitments. During 2004 Marine Expeditionary Units will still deploy as part of Naval Expeditionary Strike Groups in support of Combatant Commander requirements. Units will continue to deploy to Okinawa and Iwakuni,

Japan. However, some of those forces will subsequently deploy from Okinawa in support of Operation Iraqi Freedom II. Marine Corps units continue to support exercises with our joint and coalition partners that are critical to supporting the Combatant Commanders' Theater Security Cooperation Plans, and counter-drug operations in support of joint and joint-interagency task forces. While the operational tempo remains high, recruiting and retention continue to meet our manpower goals. We are continually monitoring the health of our Service, and we are focused on ensuring that the Marine Corps remains ready for all current and future missions.

People and leadership are the foundations of the Marine Corps' readiness and warfighting capabilities. Operation Iraqi Freedom demonstrated that the Marine Corps' recruiting, training, and continued emphasis on education of the force are extremely successful in maintaining the high standards of military readiness our Nation requires. The Marine Corps remains committed to taking care of our Marines, their families, and our civilian Marines.

### **Marines**

This past year demonstrated once again that the most important weapon on any battlefield is the individual Marine. While the employment of precision weapons and advanced technologies provide us unique advantages over our adversaries, our key to battlefield success remains educated, highly skilled, and motivated Marines. During Operations Iraqi Freedom and Enduring Freedom, our small-unit leaders' skills, adaptability, and flexibility produced victory on fluid, uncertain and chaotic battlefields. The Marine Corps will continue to recruit, train, and retain the type of individuals who brought us success in these and many other operations. Consequently, in the coming years some of our most important readiness efforts will revolve around individual Marines and their families. This will be a challenge, especially in times of war, when we call upon our Marines and their families to make significant sacrifices. We must,

therefore, pursue our major Quality of Life priorities – pay and compensation, health care, bachelor and family housing, infrastructure and installation management, and community services – that contribute to maintaining the stability of the force, enhance personal readiness and family cohesion, and promote retention.

Personnel Tempo (Perstempo). As of February 27, 2004, the Marine Corps had 1,994 active component and 2,111 reserve component Marines who have exceeded the 400 out of the preceding 730 days Deptempo threshold. Currently, there are 42,721 active component and 17,099 reserve component Marines who have accrued at least one day of Deptempo. Prior to September 2001, the Marine Corps maintained a 2.7:1 unit-level rotation ratio. As a result of the current operational demands associated with the Global War on Terrorism, Marine Corps units are rotating at a higher rate. The increase in rotation rates will result in an increase in Deptempo. The degree to which the increase in unit-level rotation will affect retention depends on the duration of the increased level of Deptempo. To date, we have no evidence that the increase in Deptempo has adversely affected retention.

Recruiting. Successful recruiting is essential to replenishing the force and maintaining a high state of readiness. Sustaining our ranks with the highest quality young men and women is the mission of the Marine Corps Recruiting Command. Recruiting Command has accomplished this mission for more than eight years for enlisted recruiting and 13 years for officer recruiting. This past year the Marine Corps recruited over 100 percent of its goal with over 97 percent Tier I High School graduates. The Marine Corps Reserve achieved its Fiscal Year 2003 recruiting goals with the accession of 6,174 Non-Prior Service Marines and 2,663 Prior Service Marines. This year, as force structures are developed to pursue the Global War on Terrorism, your support

is essential in arming our recruiters with the resources they need to ensure the readiness of your Marine Corps.

Retention. Retaining our best and brightest Marines is key to readiness. Retention success is partly a consequence of the investment we make in supporting our operational forces – giving our Marines what they need to do their jobs in the field, as well as the funds required to educate and train these phenomenal young men and women. Our First Term Alignment Plan (first tour) has achieved its reenlistment requirements for the past nine years. With just over one-third of the current Fiscal Year completed, we have achieved 76 percent of our first-term retention goal for the year. Furthermore, our Subsequent Term Alignment Plan (second tour and beyond) reveals that we have already retained 47 percent of our goal for this Fiscal Year. Officer retention is at a 19 year high, continuing a four-year trend of increasing retention. Despite increased retention overall, certain Military Occupational Specialties continue to suffer perennially high attrition, examples include Aviation Electronics Technicians, Electronic Maintenance Technicians, and Public Affairs. We are attempting to overcome this challenge by offering continuation pay for those Marines with Military Occupational Specialties that are in short supply. Military compensation to all Marines that is competitive with the private sector provides the flexibility required to meet the challenge of maintaining stability in manpower.

Marine Corps Reserve. Our Reserve Marines are a vital and critical element of our Total Force. The training, leadership, and quality of life of our reserve component remain significant Marine Corps priorities. In 2003, the Marine Corps Reserve rapidly mobilized combat ready Marines to augment the active component. Marine Corps Reserve activations in support of Operation Iraqi Freedom began in January 2003, and peaked at 21,316 Reserve Marines on active duty in May 2003. Of the approximately 6,000 Reservists currently on active duty, over



1,300 Individual Mobilization Augmentees, Individual Ready Reserves, and Retirees fill critical joint and internal billets. As of March 1, 2004, we had 5,398 Marines mobilized; 4,114 in Selected Marine Corps Reserve units and 1,284 Individual Augmentees, and we have an additional 7,500 Marines that will be mobilized for our Operation IRAQI FREEDOM II requirements. Judicious employment of Reserve Marines remains a top priority of the Marine Corps to ensure the Marine Corps Reserve maintains the capability to augment and reinforce the active component. Our Reserve units and individuals are combat ready and have rapidly integrated into active forces commands demonstrating the effectiveness of the Marine Corps Total Force.

Marine Corps Reserve units maintain high levels of pre-mobilization readiness. Reserve Units consistently train to a high readiness standard. Ninety-eight percent of SMCR Marines called up for duty reported for mobilization and less than one percent requested a deferment, delay, or exemption. The Marine Corps Reserve executed a rapid and efficient mobilization with units averaging six days from notification to being deployment-ready, and 32 days after receiving a deployment order they arrived in theater.

Similar to the active component, the challenge for the reserve component is managing the high demand/low density specialties such as Civil Affairs, KC-130, military police, and intelligence. To date, 96 percent of the Civil Affairs, 989 percent of the KC-130, 72 percent of law enforcement, and 69 percent of the intelligence Marines have been activated as compared to 50 percent of reserve infantry Marines. Building on the important lessons of the last year, the Marine Corps is pursuing several transformational initiatives to enhance the Reserves' capabilities as an even more ready and able partner with our active component. These pending initiatives include: increasing the number of Military Police units in the reserve component;

establishing a Reserve Intelligence Support Battalion that includes placing Reserve Marine Intelligence Detachments at the Joint Reserve Intelligence Centers; returning some of our Civil Affairs structure to the active component to provide enhanced planning capabilities to the operational and Service Headquarters; and introducing an improved Individual Augmentee Management Program to meet the growing joint and internal requirements.

End Strength. The Marine Corps is assimilating last year's congressionally authorized increase in Marine Corps end-strength to 175,000. The increase of 2,400 Marines authorized by Congress addressed an urgent need to train and maintain enough Marines for the long-term requirements associated with the Global War on Terrorism. It has been particularly important in enabling us to provide the Nation with the 4<sup>th</sup> Marine Expeditionary Brigade (Anti-Terrorism), a robust, scalable force specifically dedicated to anti-terrorism.

As the Marine Corps is expeditionary by nature, we are accustomed to deploying in support of contingency and forward presence missions. We are structured in such a way as to satisfy our enduring requirements and meet operational contingencies as long as the contingencies are temporary in nature. We do not believe, at the present time, that an end strength increase is necessary.

Quality of Life. As an expeditionary force, the Marine Corps conducts frequent and sometimes lengthy deployments, and our senior leadership is focused on understanding and mitigating the effects of these deployments on recruitment, readiness, retention, and family life. For example, in recognition of the importance of the transition home for both Marines and their families, the Marine Corps developed a standardized return and reunion program in coordination with Marine Corps Community Services (MCCS) personnel, health professionals, and chaplains. The program was implemented in March 2003, and was specifically designed to ease

the assimilation of service members back into family life following long periods of separation, as well as provide information on the additional support programs offered in support of deploying service members and their families. The program consists of a mandatory warrior transition brief for the returning Marine, a return and reunion guidebook for Marines and family members, a caregiver brief, and briefs designed for spouses.

The Marine Corps will continue to look at our unique demographics (e.g., the youth of the force, number of children/ spouses, number of single parents, number of relocations/forward deployed Marines) in a holistic manner and adjust QOL programs to provide the counseling and support needed before, during, and after deployments. The primary focus must be on prevention so that intervention requirements are decreased. The Marine Corps continues to monitor the attitudes and concerns of Marines and family members relative to their QOL as we provide support during the global war on terrorism. We remain committed to improving the standard of living in the Corps and ensuring that the "QOL benefit" is clearly articulated to our Marines and families.

### **Training**

Superior training has always been a hallmark of your Marine Corps. Our training with the resources you provide enables us to maintain the high state of readiness demanded of your Nation's expeditionary force in readiness. In terms of operational deployments, 2003 was the busiest year since 1991. Consequently, most service exercises were cancelled and participation in exercises throughout the world was reduced, with the exception of the Pacific region. In that area, Marines embarked onboard the USS *Fort McHenry* (LSD 43) participated in the Cooperation Afloat Readiness and Training (LF CARAT) exercise sponsored by the Commander, US Pacific Command, engaging in a series of bilateral training exercises in the

Southeast Asian littoral region. At home, the Marine Corps resumed service exercises as forces began to deploy for training within the continental United States. Combined Arms Exercises (CAX) at Twenty-nine Palms, California; Mountain Warfare Training Center (MWTC) courses in Bridgeport, California; Weapons and Tactics Instructor (WTI) courses in Yuma, Arizona; and MEU(SOC) work-ups began in earnest to prepare recently redeployed forces for scheduled or emergent deployments. These exercises also served to evaluate individual and unit proficiency, and ultimately to maintain the readiness and operational primacy of Marine Air-Ground Task Forces across the spectrum of operations.

Operation Iraqi Freedom II Pre-deployment Training. While we endeavor to keep a keen edge on our warfighting skills, the mission before us in Iraq requires an emphasis on Security and Stability Operations (SASO). We have adjusted our training to meet this challenge. In preparation for Operation Iraqi Freedom II, I Marine Expeditionary Force has analyzed lessons learned from their experiences in conducting security and stability operations from March to September 2003, and from recent Army lessons learned. As they did last year, I Marine Expeditionary Force is working closely with the Army forces in Iraq. They have conducted a number of liaison visits with the Army units they will soon relieve. They have drawn lessons from the tactics of the British in Iraq, which reflects many years of experience in low intensity conflicts and peacekeeping operations; procedures used by the Los Angeles Police Department for neighborhood patrolling in gang dominated areas; as well as study of the Marine Corps' own extensive "Small Wars" experience. Our deploying units have applied these lessons through a comprehensive training package that includes tactics, techniques, procedures for stability and counter-insurgency operations. We have conducted rigorous urban operations training and exercises. Over 400 Marines are receiving Arabic language immersion training, and all



deploying Marines and Sailors are receiving extensive cultural education. Our supporting establishment is focused on the equipment, logistics, and training requirements of this force – paying particular attention to individual protective equipment, enhanced vehicle and aircraft hardening, and aviation survivability equipment and procedures. Marine aviation elements have worked closely with Army aviation and their recent Iraq experience. This exchange facilitated an advanced aviation tactics exercise focused on mitigating the threats in the current operating environment to tactical aviation. This type of training and support is critical as we send Marines back to war in a volatile, dangerous, and changing situation.

Training at Eglin Air Force Base. Training at Eglin Air Force Base (AFB) is envisioned to provide a near term pre-deployment training capability for East Coast Navy Amphibious Ready Groups/Expeditionary Strike Groups and Marine Expeditionary Units (Special Operations Capable), with the potential to be part of the long-term solution. The training concept was designed for up to two 10-day training periods per year. The long-term objective is that during each 10-day period, the Expeditionary Strike Groups will be able to conduct training across the full spectrum of operational requirements. The Marine Corps has invested approximately \$4.2 million in environmental assessment/mitigation and infrastructure development required to establish an initial training capability at Eglin AFB.

In December 2003, the Marine Corps completed its first 10-day training period at Eglin AFB. The Marine Corps is assessing the quality of the training available at Eglin AFB to determine whether training there merits the expenditure of additional effort and resources. Meanwhile, we continue to explore and develop other options, both within the United States and abroad. While Eglin AFB has the potential to meet Naval Expeditionary Force training requirements, full development of this capability on a major range and test facility base will

require a significant investment by the Department of the Navy and Department of Defense to upgrade existing facilities, as well as changes to existing regulations governing test facilities.

Range Modernization. Rigorous, realistic training is crucial to combat readiness. We are building a comprehensive plan to sustain, upgrade, and modernize our ranges and training areas. Virtual and simulated training scenarios and technology are increasingly important and add great value to the complete training program for Marines. However, live-fire combined arms training and maneuver forms the core of our combat training programs. The program to modernize our live-training capabilities will provide both operating forces and installations the management tools and resources to better plan and execute training and to honor our commitments as good stewards of our training lands. The goal of our range modernization program is to preserve and enhance the live-fire combined arms training capabilities of Marine Air-Ground Task Force Training Command, Twenty-nine Palms and Marine Corps Air Station, Yuma, and to preserve the unit-training capabilities of the nation's two premier littoral training areas, Camp Lejeune and Camp Pendleton.

### **Equipment Status**

The Marine Corps objective in setting the force for Operation Iraqi Freedom and global commitments is to maintain a high state of preparedness. This will take time and resources. Aviation units deploying or deployed in support of the Global War on Terrorism are maintaining mission capability rates above 85 percent. The remaining units are operating at slightly lower levels due to the aircraft parts priority being established for our forward deployed squadrons. Our four divisions are currently making steady improvements in equipment readiness because of the remarkable maintenance and repair efforts of our Marines, depot workers, and the support of Congress.

During Operation Iraqi Freedom, the Marine Corps offloaded two Maritime Prepositioning Squadrons (11 ships). Our equipment offloaded from Maritime Prepositioning Ships Squadrons 1 and 2 had equipment readiness ratings of 98 percent and 99 percent respectively. After combat operations much equipment was worn and broken, and the assessment of that equipment is ongoing. In 2003, we had approximately 2,000 Marines in Iraq working to inspect, and where feasible, repair equipment in order to bring it back up to an operational capability. The equipment for back load is operationally capable, i.e., able to shoot, move, and communicate. The equipment used to support the reconstitution of the Maritime Prepositioning Force losses was pulled from assets left behind in the Continental United States (CONUS) by deploying units, Norway Air-Landed Marine Expeditionary Brigade (NALMEB) assets, and from global war reserve stocks. It will take time to return the Maritime Prepositioning Force program to pre-Operation Iraqi Freedom employment capability, and the use of Maritime Prepositioning Squadron assets in support of Operation Iraqi Freedom II may extend reconstitution. One squadron is essentially complete and ready to respond to any contingency. Several ships in the other two squadrons had completed reconstitution, but those ships have since been used to support the Marine forces deploying for Operation Iraqi Freedom II. The current schedule has one Maritime Prepositioning Squadron completing its scheduled maintenance cycle in April 2005, and the second squadron concluding its scheduled maintenance cycle in April 2006. The time it will take until we have all three squadrons back up will be a function of additional equipment requirements in support of Operation Iraqi Freedom II, Corps-wide equipment readiness, and the condition of the equipment that returns from Operation Iraqi Freedom II. In any case, reconstitution of our forces and Maritime Prepositioning Squadrons will be a challenge for at least a couple more years.

We have used assets from the NALMEB Prepositioning Program in the reconstitution of our Maritime Prepositioning Ships Squadrons, and expect to tap further into the assets stored there as we progress in the overall Maritime Prepositioning Force reconstitution as well as in support of Operation IRAQI FREEDOM II. Norway continues to demonstrate its role as a critical and valuable ally to the U.S. through their tremendous support regarding use of our geographically prepositioned assets in their nation. Specifically, their forces have affected several equipment draws, provided local security and in-country transportation for those assets, and executed the loading of that equipment onto MSC shipping in support of our overall Operation IRAQI Freedom requirements.

Depot Maintenance. Returning our operating and Maritime Prepositioning Force equipment to full mission capabilities is one of our highest priorities, and that priority is reflected in the Fiscal Year 2004 Supplemental requests for depot maintenance funding. However, we have constrained our request for equipment throughput at our two Marine Corps depots in order to preclude a significant investment in new facilities or production line tooling.

The single greatest constraint on the ability of the Marine Corps to execute depot maintenance funds in the near term (1-2 years) is asset availability. Asset availability describes the ability to initiate the maintenance process by designating a particular asset as available for induction and the transportation of that asset to a depot maintenance activity.

Marine Corps ground equipment assets are found in one of two primary locations' with the operating forces, or in a preposition location (afloat or ashore). The current operational tempo and our requirement to rapidly reconstitute the Maritime Prepositioning Force make the scheduling of assets for depot maintenance problematic. The Marine Corps chose to strike a balance between the need to have a Maritime Prepositioning Ship and its associated equipment



available to the Combatant Commander and the need to conduct depot level maintenance. This balance is reflected in the planning of Maritime Prepositioning Ship Maintenance Cycle (MMC)

8. MMC 8 began in early 2004. It is a 36-month cycle that will systematically rotate the fleet of Maritime Prepositioning Ships through the Blount Island facility to accomplish the necessary maintenance activities (including depot maintenance), which may have been deferred.

We will continue to evaluate options to accelerate our depot maintenance throughput in order to return mission essential equipment to the operating forces as expeditiously as possible.

### **Infrastructure**

Marine Corps bases, facilities, training areas, ranges, laboratories, buildings, and Navy hospitals provide the essential framework for ensuring our force readiness at home and overseas. Marine Corps Infrastructure consists of 15 major bases and stations in the United States and Japan. We continue to implement programs that maintain and improve our infrastructure while using only those resources that are absolutely necessary to accomplishing our goals. The Marine Corps' Long-range Infrastructure Vision, *Installations 2020 (I2020)*, provides a roadmap for the future of this critical support element of our warfighting capability. One of the subjects that *I2020* deals with is Encroachment Control.

Encroachment Control. The Marine Corps strives to be a good steward of the resources entrusted to it. We are grateful to the Congress for providing a tool to manage incompatible developments in close proximity of military-use lands. Monitoring, evaluating, and responding to encroachment is critical to ensuring bases and ranges are available to support mission readiness now and into the future. Many Marine Corps installations were constructed 60 or more years ago in then-rural areas. Some of these areas are now urban in nature due to regional development. The result is encroachment and readiness challenges for the Marine Corps. We

are working with federal, state, and local governments, to provide “win-win” solutions to encroachment pressures to ensure compatible land use which will not degrade mission readiness. Several potential partnership acquisitions are in the conceptual phase at four installations: Marine Corps Base Camp Lejeune, Marine Corps Air Station Beaufort, Marine Corps Mountain Warfare Training Center Bridgeport, and Marine Corps Base Camp Pendleton. Marine Corps Base Camp Lejeune, Marine Corps Air Station Beaufort, and Marine Corps Base Camp Pendleton have established conservation forums as a framework to address military requirements, and to collaborate with federal, state, local, and private entities in the region to achieve mutual goals and objectives in compatible land use plans. Other installations are also considering the need to establish conservation forums, such as Marine Corps Base Hawaii, Marine Corps Air station Yuma, Marine Corps Air Ground Task Force Training Center Twenty-nine Palms, and Marine Corps Base Quantico. In addition, an encroachment mitigation plan will be developed to monitor and contain internal and external development threats to Blount Island’s long-term mission capability. These initiatives provide the opportunity to develop a long-term vision for our installations for maintaining training readiness.

Urban encroachment and environmental issues impact our ability to maintain an acceptable level of access to valuable training areas, and test ranges. Access restrictions have affected testing and the training of our forces, sacrificing rigor and realism. This trend has stabilized as a result of the previous two years legislative efforts. The Marine Corps supports the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation, and Liability Act provisions that seek to codify prevailing regulatory policies and practices of EPA and the states regarding munitions on operational ranges; and protect us from negative judicial decisions that could drastically undermine readiness.

Blount Island Facility. The Marine Corps will complete the acquisition of the Blount Island facility in Jacksonville, Florida, in 2004. Upon ownership transfer to the Marine Corps, Blount Island Command becomes responsible for the stewardship of the land, buildings, and environment. To ensure a smooth transition, efforts are in progress to establish facility management processes for base operating support and services, capital improvements, facilities sustainment and restoration, and anti-terrorism force protection.

The acquisition of the Blount Island facility in Jacksonville, Florida, is critical to our Nation and to our Corps' warfighting capabilities. Blount Island's peacetime mission is to support the Maritime Prepositioning Force. Its wartime capability to support massive logistics sustainment from the continental United States gives it strategic significance. The Blount Island facility has a vital role in the National Military Strategy as the site for maintenance operations of the Maritime Prepositioning Force. The Marine Corps thanks Congress for your role in supporting this acquisition project.

### **Safety**

Safety programs are vital to force protection and operational readiness. Marine leaders understand the importance of leadership, persistence, and accountability in the effort to reduce mishaps and accidents. The Fiscal Year 2003 off duty and operational mishap rates were driven upward by the mishaps that occurred during and post Operation Iraqi Freedom, while the aviation mishap rate decreased. To meet the Secretary of Defense's challenge to all Services to reduce mishaps by 50 percent in two years, the Marine Corps is focusing on initiatives that deal particularly with the development of strategies and specific interventions to preclude mishaps. The Marine Corps is an active participant of the Defense Safety Oversight Committee. Our

leadership at every level understands the challenge, and we are actively involved in the effort to safeguard our most precious assets - Marines and Sailors.

### **Operational Readiness Outlook – Near Term**

We are preparing our Marines and equipment for continued operations in Iraq. We are hardening about 3,000 vehicles, including both large vehicles and the smaller HMMWV's, against small arms, fragmentation, and Improvised Explosive Devices. We have enough body armor for every single Marine, not only in Iraq, but also in Afghanistan, to have sufficient protection. Working with the Army, we are developing technical means to detect and defeat Improvised Explosive Devices. In our operation Iraqi Freedom II pre-deployment training, we have sent our maneuver battalions through an extensive one-week course in southern California. All of our aircrew went through a two-week course in Yuma, Arizona, geared toward tactics and survivability in the current operating environment in Iraq, including convoy escort and Man-Portable (MANPAD) surface-to-air missile countermeasures and avoidance training. Each of our aircraft deploying for Operation Iraqi Freedom are undergoing modification to install the most modern Aircraft Survivability Equipment (ASE) to mitigate their susceptibility to the MANPAD threat. All deploying combat support and combat service support Marines have completed an extensive combat training course, ensuring that we adhere to our fundamental tenet, "Every Marine a rifleman."

Your Marines deploying for operation Iraqi Freedom II will deploy in two rotations of seven months each. This rotation policy will result in the least disruption to the long-term health of the Marine Corps. We believe that this rotation policy is our best course to minimize stop-loss/stop-move orders, interruptions in recruit training, ensure career progression and development, professional military education, and to allow flexible force applications for other



deployment requirements. The first force rotation, from March until September 2004, will be composed of approximately 25,000 combat-equipped Marines, including almost 3,000-reserve component Marines. A second force rotation, from September 2004 to March 2005, of like size and composition, will overlap the first and ensure a smooth and stable transition.

Our single greatest concern as we look beyond Operation Iraqi Freedom II is setting the force for subsequent training and operations. When we refer to setting the force, we are addressing our ongoing efforts to maintain the combat readiness of your Marine Corps. In our preparation for current global operations, Optempo, Perstempo and the maintenance, repair, or replacement of equipment are our focus; but as we set the force, we also have modernization and transformation in mind.

### **Modernization and Transformation**

Achieving our vision for the future of the Marine Corps while maintaining near-term readiness will require the upgrade and modernization of current systems until they can be replaced, while we carry out key modernization and transformational programs. Our top acquisition priorities, such as the MV-22 Osprey, the KC-130J, the Expeditionary Fighting Vehicle, the Short Take Off Vertical Landing Joint Strike Fighter, the Lightweight-155 mm Howitzer, the High Mobility Artillery Rocket System, and the CH-53X and UH-1Y/AH-1Z are the cornerstone of the Marine Corps future capabilities. Initiatives like the family of Navy and Marine Corps Mine Countermeasures systems, concepts such as Tactical Air Integration, Logistics Modernization and Command and Control, and improvements in Intelligence and Information Operations are equally essential to our transformation effort, and we are exploring technology and processes that facilitate our transformation.

Most important of all to our future readiness are our Sea Power 21 initiatives in partnership with the Navy. We hold a deep and abiding conviction that Sea Basing initiatives hold the greatest promise for transforming your Marine Corps-Navy team into a more ready, flexible, and responsive force - able to project sustainable power across the full spectrum of operational capabilities anywhere in the world. More than just an alternative to current capabilities, operations conducted from a sea base may well become the preferred method for national crisis response in the 21<sup>st</sup> century. Naval forces will be strategically and operationally agile, projecting power from a fully networked sea base while operating within the security derived from the Navy's command of the sea. Sea Basing will provide national decision makers with unprecedented versatility, because naval forces can exploit the freedom of the high seas as maneuver space, relatively unconstrained by political, geographic, or diplomatic restrictions. Navy and Marine Corps warfighting capabilities, thoroughly integrated across all sea-based systems and assets, will provide our Nation and Regional Combatant Commanders the combat ready forces necessary to fight and win in the conflicts of the 21<sup>st</sup> century.

Several new ship classes are coming on line within the next few years that are important to the readiness of The Navy and Marine Corps Team. The operational capability and flexibility of the naval expeditionary fleet will be significantly enhanced with the Fiscal Year 2005 delivery of USS San Antonio, the first of 12 new landing assault ships with advanced characteristics for amphibious warships. LHA(R) concept designs are being evaluated within the context of Joint Sea Basing and power projection. This ship will be the centerpiece of the Expeditionary Strike Group, a contributor to the Expeditionary Strike Force, and will carry expeditionary warfare through the middle of this century. LHA(R) will greatly enhance command and control capabilities and at sea training for embarked forces. The resulting design is planned to provide a

transformational capability that is interoperable with future amphibious and Maritime Preposition Force ships, high-speed vessels, and advanced rotorcraft like the MV-22 and CH-53X, and the Joint Strike Fighter. The Littoral Combat Ship will be a networked, agile, mission focused, stealthy surface combatant with capabilities optimized for responsiveness to threats in the littorals.

This year, the Marine Corps continues to refine plans for the Marine Expeditionary Brigade of 2015, in concert with our concept for sea-based operations. Similarly, the Analysis of Alternatives for our Maritime Prepositioning Force (Future), a critical component of Sea Basing, will provide valid choices for achieving Sea Basing capabilities. These initiatives will complement, rather than replace, the amphibious lift and forcible entry capacity of the LHA(R), LPD-17, and LHD, and will provide the Nation a deployment and employment capability unmatched in the modern world.

### **Conclusion**

In conclusion, I would like to again thank the members of the Committee for their continuing support of the Marine Corps, and for the opportunity to discuss our readiness issues. The young men and women of your Corps are doing an exceptional job in Operations Enduring Freedom and Iraqi Freedom. Their accomplishments are a direct reflection of your continued support and commitment to maintaining our Nation's expeditionary warfighting capability. We go forward with confidence because Marines have the best training and equipment in the world, thanks to the support of this Committee, and the Nation we proudly serve.





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**QUESTIONS AND ANSWERS SUBMITTED FOR THE  
RECORD**

MARCH 11, 2004

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## QUESTIONS SUBMITTED BY MR. HEFLEY

Mr. HEFLEY. In a February 17, 2004, briefing, "FY 2005 Appropriation Overview", given by Colonel Ronald C. Cordell, Chief, Operating Forces Division, there is a statement on page 4, "Newer equipment more expensive to maintain (digitization and contractor logistics support) . . . Newer aircraft more expensive to operate than current models." Please expand on this statement and contrast it to the Vice Chief's response to a question from Chairman Hefley on this issue where the Vice Chief indicated that newer equipment is not more expensive to maintain than legacy equipment.

General CASEY. Colonel Cordell's remarks, during a briefing to Congressional staff members on February 17, 2004, were intended to clarify the increasing cost of sustaining legacy equipment versus the cost of modernized equipment. Both legacy systems and modernized or newer systems have unique sets of cost factors. As weapons systems age, sustainment costs increase due to the age and sophistication of technology plus usage factors such as harsh operating environments. Extending equipment life cycles drives more maintenance, modifications, upgrades and/or overhauls for equipment to remain operational. The Army's newer equipment and modernized systems incorporate technological advances such as automation, digitization, ballistic protection, low-observables and armor plating, which increase capabilities but at a higher cost. Procurement costs are higher and the replacement spare parts are more expensive.

In his March 11, 2004 testimony, General Casey stated that in his experience "older systems do cost more to maintain." The Army has documented over the years that aging equipment does cost more to maintain than the newer version of the same system. However, most replacement equipment incorporates new technologies and increased capabilities, making comparisons more difficult. One example of systems that have the same mission but the newer model cost more to operate and maintain is the UH-60 black hawk versus the UH-1 huey helicopters. The expanded capabilities (operating distance, troop capacity, and speed) of the UH-60 allow the Army to better accomplish its mission, but at a higher sustainment cost.

Bottomline: Newer equipment through technological advances costs more and has higher sustainment costs, but the additional investment provides our Soldiers with safer, modernized, and more reliable equipment.

Mr. HEFLEY. In your written statement, page 14, you talk about the difficulty with aging aircraft and the high costs to maintain such aircraft. Yet, last year the AF had had as its first unfunded priority \$500 million for depot maintenance. This year, the AF increased depot maintenance funding \$159 million. What level of risk is the AF taking by not funding depot maintenance at a higher level?

General MOSELEY. In FY 2003 and FY 2004, the Air Force received supplemental funds for depot maintenance. This funding mitigated nearly all aircraft and engine deferrals, and reduced backlog. The Air Force is accepting some risk in depot maintenance in the FY 2005 budget and will address any backlog in the FY 2006 budget.

Mr. HEFLEY. With respect to depot maintenance, you state in your written statement, page 13, that it will be difficult to execute depot maintenance funds in the near term because of asset availability, which is the ability to initiate maintenance. Yet, the unfunded priority list for the Marine Corp identifies \$43 million for depot maintenance. Could the Marine Corps execute this funding if it were appropriated?

General HULY. The Marine Corps can execute the Unfunded Programs List request for \$43M for depot maintenance. The weapon systems that will be funded by \$43M have been validated and are available for repair.

The FY05 depot maintenance plan for the repair of equipment included rotation programs for Marine Corps assets. Given the current operation tempo, many Marine Corps assets are currently committed to support OIF II. This unplanned commitment of assets initially slowed down asset availability for induction into the depot maintenance cycle. However, new rotation plans have been developed and continue to be updated to ensure asset availability. With implementation of these revised plans, the near term asset availability will return to normal.

**QUESTIONS SUBMITTED BY DR. SNYDER**

Dr. SNYDER. In your written statement, page 11, you state "aircraft availability" is a success story for readiness. Mission capable rates are up and cannibalization rates are down. Yet, your overall readiness rates for operation units is down, page 13. Are mission capability rates and readiness rates the same? Please expand upon these statements, and state what is causing this downward trend and what is needed to fix this trend.

General MOSELEY. Mission capable (MC) rates and readiness rates are not the same. MC rates are the percentage of a fleet that is unit possessed (not Depot possessed) and capable of flying at least one assigned mission. Additionally, Availability Rates are the percentage of a fleet's Total Active Inventory (unit + depot possessed) that is MC. Readiness rates take into consideration more than aircraft indicators. Personnel indicators such as manning and training levels, as well as equipment and supplies inventories are considered when determining overall readiness levels.

The primary reason for the decline in readiness is operations tempo (OPSTEMPO). The increased OPSTEMPO, especially during the past year, had impacts on readiness. Training backlogs were felt across several communities as instructors and additional aircraft were deployed. OPSTEMPO also affects equipment and supplies as they are used at a faster rate as the level of demand increases. Recently, the Air Force has returned to the Air Expeditionary Force (AEF) Battle Rhythm for most assets and as we continue to reconstitute, readiness levels should improve. Just recently, we've seen readiness indicators stabilize and show slight improvement. Readiness is a lagging indicator. As OPSTEMPO is controlled and funding increased, readiness levels should continue to improve.



**FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—TRAINING TRANSFORMATION: EXAMINATION OF THE JOINT NATIONAL TRAINING CAPABILITY**

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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
READINESS SUBCOMMITTEE JOINT WITH TERRORISM,  
UNCONVENTIONAL THREATS AND CAPABILITIES  
SUBCOMMITTEE,

*Washington, DC, Thursday, March 18, 2004.*

The subcommittee met, pursuant to call, at 1 p.m. in room 2118, Rayburn House Office Building, Hon. Joel Hefley (chairman of the subcommittee) presiding.

**OPENING STATEMENT OF HON. JOEL HEFLEY, A REPRESENTATIVE FROM COLORADO, CHAIRMAN, MILITARY READINESS SUBCOMMITTEE**

Mr. HEFLEY. If you will find your places. The committee will come to order.

I hope we are going to get a bigger crowd up here than we have at the desk down there. This is not the way it ought to work.

This is a joint hearing, as you know, between the Terrorism, Unconventional Threats and Capabilities Subcommittee and the Subcommittee on Readiness. I am looking around to see how joint it is. I think the only joint is I am on both committees. Mr. Saxton had a prior engagement and he should be back here in a few minutes. We hope we get some more folks. In case he is not back in time, I would like, without objection, to put his opening statement in the record.

A motto often touted by the services is, "train how you fight." As is demonstrated in OPERATION IRAQI FREEDOM, we fight in a joint manner, yet there has been limited joint training. Thus, the concept of the Joint National Training Capability (JNTC), is significant. If successful, the Joint National Training Capability will enable the military services to train and to conduct exercises as a joint and combined team. Then, when necessary, they will be able to fight as a joint and combined team.

The Joint National Training Capability is not a place or a center, rather, it is a concept in which the military services train and conduct exercises together, using virtual, constructive and life forces. This afternoon, we will hear testimony on policy and guidance changes that are necessary to implement JNTC, as well as testimony from the first JNTC exercise carried out in January.

I hope to have a better understanding after today's hearing of the various roles that the Office of Secretary of Defense, the Joint Forces Command, and the military services play in JNTC. Al-

though it certainly seems intuitive that joint training will improve readiness, I hope to learn how we measure the success of JNTC.

Let me now turn to my good friend from Texas, the Honorable Solomon Ortiz, for any remarks he might have.

**STATEMENT OF HON. SOLOMON P. ORTIZ, A REPRESENTATIVE FROM TEXAS, RANKING MEMBER, MILITARY READINESS SUBCOMMITTEE**

Mr. ORTIZ. Thank you, Mr. Chairman. I want to thank you for holding this hearing today. I join you in welcoming our guests and our colleagues from the Terrorism, Unconventional Threats and Capabilities Subcommittee. Members of our distinguished panel, we thank you for visiting with us today. What you do is very, very important, and I look forward to learning how we can help you. I am constantly amazed by how proficient our military forces are, and I know all of us are very, very proud.

Our young servicemen and women continually surpass all expectations in whatever situation we put in front of them. In part, this is as a result of great leadership. But it also is due to the emphasis our forces put on tough, realistic training. This training stresses all parts of our forces and provides them with what they need to survive and win in today's demanding operational environments.

But today's operational environments have evolved into highly complex, multi-dimensional affairs. Today, young men and women on the ground struggle to understand all the little details of tribal tensions, how they affect our patrol route. For example, senior officers now must integrate not just the four services, but also multiple government agencies and coalition forces to act in concert with one another. The challenges at every level are enormous, and this complexity will only grow in the future.

This is why our ability to train our forces must evolve as well. We owe those on the front lines the best preparation we can provide them, and we must move to expand our training capability to meet the increasing demands of the future. It is worth noting that joint U.S. military operations in the 21st century have taken place over vast areas. For example, operations in Afghanistan require the Navy and Marine Corps teams to extend their combat power some 700 miles inland from the Arabian sea, coming from a region that is rich with resources, that can support long-range disbursed training events on land, at sea and in the air.

I am particularly interested to hear our witnesses thoughts on what additional support the JNTC might require as it develops and expands. I believe that the Joint National Training Capability is an exciting step in that direction, and I look forward to listening to your testimony. Again, welcome to this panel today.

Mr. HEFLEY. Thank you, Mr. Ortiz.

I would now like to introduce the witnesses. Each of you, if you would, make your brief statement, and your entire statement without objection will be made a part of the record.

First, the Hon. Paul Mayberry, Deputy Under Secretary of Defense for Readiness; Maj. Gen. Gordon Nash, U.S. Marine Corps, Commander, Joint Warfighting Center and Director for Joint Training, U.S. Joint Forces Command; Brig. Gen. Louis Weber, Director of Training, Training Directorate, United States Army; Rear

Adm. David Hart, Director, Fleet Readiness Division, Department of the Navy; Brig. Gen. Norman Seip, Deputy Director of Operations and Training and Deputy Chief of Staff for Air and Space Operations, Department of the Air Force; and Dr. Michael Bailey, Technical Director For the Technology Division, Training and Education Command, U.S. Marine Corps.

Mr. HEFLEY. We will start with you, Secretary Mayberry, and move down the line. One of the things I have mentioned to General Nash and you, Secretary Mayberry, in private conversations, but one of the things I would like for you all to share with us, is your vision of is this jointness for real? That is all we are hearing now is jointness, jointness, jointness. It makes so much sense. You would think that is exactly what we would do. But then we have gone through a lot of styles and a lot of cliches over the years, and things come and things go.

So I would like a feeling when we come out of this hearing of whether this effort toward jointness is something that is going to have enduring qualities that we will continue to use, or if there is still cultural resistance within the various services, to the point that this may be another fad that is here today and gone tomorrow.

With that, Secretary Mayberry, I turn the time over to you.

#### **STATEMENT OF HON. PAUL MAYBERRY, DEPUTY UNDER SECRETARY OF DEFENSE (READINESS)**

Dr. MAYBERRY. Thank you very much, Chairman. Distinguished Members, it certainly is a pleasure to be here to discuss not only our strategy, but also our progress in transforming training in the Department of Defense.

Today we have brought our joint team to your joint hearing, and we are here to discuss joint training. So I certainly appreciate you designing this most appropriate forum in which we can discuss the future direction for how we are jointly preparing our Armed Forces.

I have one very simple message here, sir, and that is that our forces must train the way that we intend to fight. Let there be no doubt that that is within a joint team. Therefore, we must routinely train in a joint context.

This joint team must be one that can leverage and build upon the respective core competencies, as well as the unique capabilities of each of the individual services. The notion of joint training is not a matter of an either/or proposition here, but it is really about providing an appropriate level of joint context to the service level training so that it is realistic, it is robust, and, most importantly, it replicates the operational environment.

To accomplish this mandate of jointness, we must effectively transform how we think, how we train, how we educate, and also how we exercise our forces today. I serve as the secretary's point man in this regard, leading his effort to transform training in the Department of Defense to better enable joint operations.

Let me say the military services are first and foremost world class trainers, bar none. The reason for that, sir, is that we train more often, we train to higher standards and under realistic combat conditions.

The first training transformation really occurred in the Department of Defense back in the 1970's when the services established



really their crown jewels, that is for the Army, its National Training Center; for the Navy, its Top Gun Program; for the Air Force, the series of Red Flag Exercises, and for the Marine Corps, its Combined Arms Exercise.

What we really seek to do is effect a second training transformation in the Department of Defense, particularly in the joint arena, based upon the successes that the services had. These are the very fundamental principles that we would apply to the Joint National Training Capability: Realistic joint training against an adaptive asymmetric opposing force with sufficient instrumentation to be able to establish ground truth of who did what to whom. And finally, a process really for providing feedback of how we can do things differently.

It is these four basic principles that are really the underlying foundation for creating a live, virtual and constructive environment for the Joint National Training Capability.

We must be able to distribute this training capability globally. We must be able to deploy it wherever our forces may go. But also we must establish it as a persistent capability, so that we can basically turn the key and have this ability not only to train, but to mission rehearse at a moment's notice.

The Joint National Training Capability, sir, is really the engine as we go forward here. It is no longer a dream. As you are aware, we conducted our first event back in the January time frame involving live, virtual and constructive forces distributed at over 16 different locations throughout the United States. Three other events are scheduled for later this fiscal year, and each panel member today will give you their perspective on both the value and the outcome of that event.

Sir, in response to your question of is this a fad, no sir, it is not. The administration has, in fact, put over \$220 million in its current budget submission to transform joint training, to really make this a reality. These funds are intended to really leverage the service investments, to really extend and capitalize on their expertise, but really to focus and to provide an incentive to address critical gaps and seams between the services and various joint arenas. I ask for your support in this particular budget request.

We are a Nation at war, and, for the foreseeable future, we will continue to be a Nation at war. Really, the objective end state of the Joint National Training Capability is that no individual unit or staff will ever deploy into combat without first having experienced the rigors and the stresses of their joint responsibilities in a robust and realistic training environment.

Ladies and gentlemen, if you are looking for one way to significantly impact the Department of Defense and to ensure the readiness of our forces, I ask you invest your time, your energy and your support in the Joint National Training Capability.

On behalf of the men and women of our Armed Forces, both our active and reserve components, civilians and also our contractors, this is truly our team; I thank you for your continued support and ensuring the readiness of our forces through your critical support of this joint training capability.

Thank you very much, sir.

Mr. HEFLEY. Thank you, Mr. Secretary.



[The prepared statement of Dr. Mayberry can be found in the Appendix on page 363.]

Mr. HEFLEY. General Nash.

**STATEMENT OF MAJ. GEN. GORDON NASH, U.S. MARINE CORPS, COMMANDER, JOINT WARFIGHTING CENTER, DIRECTOR, JOINT TRAINING, U.S. JOINT FORCES COMMAND**

General NASH. Mr. Chairman, distinguished Members, thank you for the honor and privilege of being here today; of representing not just my boss, Admiral Giambastiani, the Commander of the United States Joint Forces Command, but the almost 1.2 million men and women who are under the operational command of the United States Joint Forces Command.

I am excited to report to you on the significant progress we have made in executing the Secretary's guidance on standing up the Joint National Training Capability. I am proud and excited to be part of this integrated team that is before you today, that is delivering on the principal of training our armed forces in the manner in which they will be deployed, that is, jointly.

As Dr. Mayberry mentioned, we are entering the second training transformation phase. Although our forces are still ready to fight the conventional threat that we still find around the world, we are now fighting a different enemy, an asymmetric foe, that requires full integration of our forces to defeat, and, in fact, full integration of all capabilities of our great Nation. It requires a joint effort.

It is now time to go forward with the second phase of training transformation, at this time joint training, that will ensure our forces are ready to fight jointly against a different threat with little or no notice.

This effort is not cheap; it is also not easy. It requires additional investments in technology and in infrastructure. It requires the development of an environment that allows us to take the superb service training that is conducted today and frame them in a joint context and bring joint assets to service training in all cases to prepare them to be able to deploy and win on the battlefield.

To best describe the Joint National Training Capability, I would like to take us back about one year today. Our forces on the tactical level were deployed from around the world, and in fact, from many of your districts, both active and reserve forces. They were staged, ready to move into Iraq. General Tommy Franks' staff had been together for about a year and a half. In fact, they had already fought one war in Afghanistan. They had established trust and relationships.

He called his staff and his two and three star functional operational headquarters a team of teams or a band of brothers on the operational level.

Now, let me take you down to the tactical level, where, again, our forces came from around the world. The services were magnificent on their own right, but in few cases had they trained together. They had never trained with the functional headquarters under which they would fight in OPERATION IRAQI FREEDOM. They had never established the special trust. They had never exchanged tactics, techniques and procedures.

This is the real goal of the Joint National Training Capability, to allow our men and women to conduct full rehearsals, to establish these trusts and relationships in training or rehearsals before we have to employ them in harm's way.

In spite of this lack of training ahead of time, our magnificent young men and women did well. In fact, they succeeded on the battlefield. But I will tell you this, it is because they were responsive and they are tough and they represent the best of our great Nation fighting under significant leadership.

Mr. HEFLEY. General, let me interrupt you a moment. I hate to do this. We have this vote on and that is the second bell. I want to take a couple of polls here. We are going to have at least an hour of votes, it appears, five votes. What is your schedule? I hate to have people of your status sitting around here holding your hands for an hour.

Dr. MAYBERRY. We are here to accommodate you.

General NASH. Our schedule is yours.

Mr. HEFLEY. How many of our committee will be back? We are going to have a BRAC vote, Robin.

Mr. HAYES. I will make it.

Mr. HEFLEY. We would like to hear from you, and we do have a number that are going to come back. If you don't mind, I apologize. I hate to interrupt you right in the middle of your statement, General, but I guess we better go vote.

General NASH. I will pick it up where I let off.

We will be back as quickly as we can. The committee stands in recess.

[recess.]

Mr. HEFLEY. The committee will come back to order.

I again apologize, and thank you for your patience. I know each and every one of you are going to go home tonight and say, man, did I waste today sitting around. It is embarrassing to have you do that, but we have no control over our lives. Thank you for your patience.

General, we will start wherever you want to start.

General NASH. Thank you, Mr. Chairman.

I talked about how our forces actually one year ago were massed around the borders of Iraq, great men and women in uniform from around the Nation. In fact, a lot of your districts. They had never trained together before to fight. They had trained within their own service confines, but not as a joint fighting operational unit.

General Franks' staff had been together for about a year-and-a-half. In fact, they had already fought a war in Afghanistan. I mentioned how he called his two- and three-star staff and his subordinate functional commanders a team of teams, a band of brothers.

That is where we want to take the entire joint force, and the Joint National Training Capability will provide this venue to support training, help us transform from a deconflicted training, where the Marines stay over here, the Army in the middle, maybe coalition forces way out here: Air Force, you are allowed way out here ahead of us. We need to fight as an integrated force, but we need to train that way before we ever deploy.

In closing, I would like to tell you, I take what we are doing very personally. This is the right thing to do, and I am excited about

it. But, equally important, I have a second lieutenant son in the United States Marine Corps who, within the next year, will be deployed in harm's way. In a few months, my daughter will marry a Marine second lieutenant, who by then will have his wings as a Marine aviator, and he will be deployed in harm's way within the next year.

So I ask for your support, because it is the right thing to do for our Nation, and I have a true personal interest in what we are doing.

I thank you very much for your time. It is an honor to be here, and I look forward to your questions. Thank you.

Mr. HEFLEY. Thank you very much.

[The prepared statement of General Nash can be found in the appendix on page 375.]

Mr. HEFLEY. General Weber.

#### **STATEMENT OF BRIG. GEN. LOUIS W. WEBER, DIRECTOR OF TRAINING, TRAINING DIRECTORATE, U. S. ARMY**

General WEBER. Mr. Chairman, thank you, Members as well, it is an honor to be here today to represent the Secretary of the Army and Chief of Staff General Schoomaker, as well as the soldiers of the United States Army, which, as has been alluded to already, is an Army at war, continuing to serve our Nation.

This war, as we know, with an adaptive enemy using asymmetric means, has demonstrated once again that determined, disciplined, well-trained, equipped, well-led soldiers are the ultimate combat system that we need. Current operations have also demonstrated the absolute requirement to train and fight as a coherent interdependent joint force.

Training capabilities too often are the forgotten force multiplier that we all need and we all enjoy over other forces of other nations. To assure success during actual operations, units must have the opportunity to train mission essential tasks with the same equipment, operating systems, operational conditions and joint force elements that they will use in actual combat. The Joint National Training Capability, in fact, helps provide these opportunities for the Army and the joint team.

Developing JNTC, or the Joint National Training Capability for operational level units provides a superb training opportunity to commanders and their staffs of all potential joint force headquarters; Army headquarters that must be prepared to function as a joint task force command, or Army headquarters that must be prepared to function as joint force land component commands.

Similarly, developing JNTC, for tactical level units, helps ensure that these units have the opportunity to train jointly in interoperability tasks with a true joint context, that is as close as possible to how they will perform in actual tactical operations. We are making good progress developing and enhancing this tactical level JNTC capability, as demonstrated most recently in January during execution of the first JNTC events.

The results of this exercise will better inform us on how to integrate joint training capabilities at the tactical level without significantly increasing deployment demands on tactical units and with-



out jeopardizing the training rigor we have achieved in service-unique training prior.

JNTC, at the tactical level, gives the Army greater opportunity to joint train early in our carriers as young leaders or soldiers. Teaching joint considerations and interdependence early enables our young leaders to carry those lessons learned forward throughout his or her professional career, and ultimately improves the Army's ability to meet the current challenges, as well any challenges we may face in the future.

Through our efforts to date, with the other services, the Joint Forces Command and the Joint and Operational Support Command (OSC) staffs, I believe we have achieved considerable agreement about how to build the best possible Joint National Training Capability to enhance our Armed Forces. The Army looks forward to continuing to coordination and cooperation among all concerned.

I would also like to close and echo General Nash's comments. One year ago today, I was moving forward with Third Infantry Division to the Iraqi-Kuwait border. So today has some special meaning to me personally as well.

In retrospect, as I reflect back on the last year in our operation in Iraq, I learned and took away a great many things: One is we never cooperated and trained well enough with the Marines; and going to war and having a Marine division off to our flank, it was a bit late for us to figure out what they do and what the Army needs to provide. So I have some personal experience with this; and over the last year, I believe we have made some great headway.

Thank you for the opportunity for me to be here and speak with you all. On behalf again of General Schoomaker and the secretary, thank you all for you what you do for the Army and your support.

Thank you, sir.

Mr. HEFLEY. Thank you.

[The prepared statement of General Weber can be found in the Appendix on page 397.]

Mr. HEFLEY. Admiral Hart.

#### **STATEMENT OF REAR ADM. DAVID T. HART, JR., DIRECTOR, FLEET READINESS DIVISION, DEPARTMENT OF THE NAVY**

Admiral HART. Mr. Chairman and distinguished Members, I appreciate the opportunity to be present here today and update you in the Navy participation in the Joint National Training Capability development effort.

The Navy is fully engaged in this important transformation in training. As noted in our naval transformational road map, inherent in every aspect of this effort is that Naval forces will be, first and foremost, committed to and built upon the principles of jointness.

Our Fleet Response Plan requires the capability to train strike groups in integrated, multi-range, live training environments, supplemented by a robust virtual and constructive training capability. Both our service investments and the JNTC infrastructure can and will support this effort.

Improving the joint context of Navy training events and Navy participation in other joint events will enhance our effectiveness in



achieving the fundamental goal of training, as you said in your opening statement, Mr. Chairman, as we fight.

A collaborative joint effort is essential to build the JNTC in a way that supports both service requirements and joint needs, and that is exactly what is occurring. Our approach for future training is being developed as a Navy Continuous Training Environment. This environment will employ joint standards, protocols and applications to improve fleet training capabilities and allow a seamless integration into the JNTC.

As we work toward overall training transformation goals, we must also preserve our existing high standards of core skills and apply these skills to build joint capabilities across the Department of Defense.

For both our internal transformation program and external capabilities through JNTC, our current spending focused toward return on investment will result in sustained readiness levels that meet our required support to the combatant commanders.

In conclusion, sir, I would like to thank you for this opportunity and your continued support to our sailors for all that you do for them and the opportunity to appear before you today. I look forward to addressing your questions. Thank you, sir.

Mr. HEFLEY. Thank you.

[The prepared statement of Admiral Hart can be found in the Appendix on page 351.]

Mr. HEFLEY. General Seip.

**STATEMENT OF BRIG. GEN. NORMAN SEIP, DEPUTY DIRECTOR, OPERATIONS AND TRAINING, DEPUTY CHIEF OF STAFF, AIR AND SPACE OPERATIONS, DEPARTMENT OF THE AIR FORCE**

General SEIP. Mr. Chairman and members of the committee, thank you for the opportunity to speak about your Air Force's involvement in the Joint National Training Capability and its benefit to our air and space warriors.

The Air Force has long appreciated the value and the complexity of joint training. Conflicts and contingency operations in the past 15 years, particularly in the Global War on Terrorism, have highlighted the benefits of operating hand in hand with our joint partners. Each service brings a tool box of incredible war fighting capabilities to the fight and the effective interrogation of these capabilities provides the synergy that makes our military power second to none anywhere on the globe.

Capabilities like these give the United States military ability to see first, understand first and act first. However, they have also placed a premium on all-up, full-up joint training where all the services capabilities are represented. When a capability is missing, realism goes down and the risk of learning a wrong lesson goes up. Therefore, the Air Force has fully embraced the challenge to create the JNTC and better enable our forces to train like we fight, jointly.

This past January, the Air Force, along with Army, Marine, Navy and Special Forces warfighters, participated in the first-ever JNTC event. The event linked existing service training events, including an Army brigade training at the National Training Center,

the U.S. Marine Corps' combined arms exercise at Twenty-Nine Palms, a Navy standoff attack missile exercise in the San Diego vicinity, and Air Force's Air Warrior Exercise at Nellis Air Force Base.

Joint close air support was the primary focus of the event. We had Air Force air crews in both life aircraft and virtual simulators operating missions in joint operations with Army forces at the National Training Center at Fort Irwin and Marine forces at Twenty-Nine Palms training in California. Instrumentation of the aircraft provided take-off to landing live monitoring and mission debrief recordings, not only for the air crew and exercise control personnel, but also for command and control personnel at Nellis Air Force Base's Combined Air Operations Center in Las Vegas, the Army leadership at Fort Irwin, and Joint Forces Command at Suffolk, Virginia.

The training event was further enhanced by integrating intelligence, surveillance and reconnaissance inputs from a simulated E-8 Joint Surveillance Target Attack Radar System (JSTARS) aircraft at our Distributed Mission Operations Center at Kirtland Air Force Base, New Mexico, and simulated Special Forces gunship and helicopters at Hurlburt Air Base, Florida.

This first JNTC event created an expanded dynamic training venue for the services, while reducing the costly requirement to transport our exercise participants, their equipment and maintainers to a distant exercise location. Also, with the integration of sophisticated, virtual and computer-generated elements, the training was more complete and more realistic than experienced in previous exercises.

Of course, all these beneficial training capabilities do not come without challenges. The Air Force is actively engaged with other services and Joint Force Command to address the creation of forward-thinking technological interoperability standards as well as equitable resource distribution and funding policies.

In conclusion, I would like to reiterate that the Air Force is fully participating in the development of the Joint National Training Capability, and we certainly look forward to increasingly effective joint training events for our air and space warriors. "Train like we fight, fight like we train," that is and will always be the key to successful joint warfighting.

Thank you for the invitation to be here today, and thank you for your support to JNTC.

Mr. HEFLEY. Thank you, General.

[The prepared statement of General Seip can be found in the Appendix on page 405.]

Mr. HEFLEY. Dr. Bailey.

**STATEMENT OF MICHAEL P. BAILEY, PH.D., TECHNICAL DIRECTOR, TECHNOLOGY DIVISION, TRAINING AND EDUCATION COMMAND, U.S. MARINE CORPS**

Dr. BAILEY. Good afternoon, Chairman Hefley, distinguished committee members. Thank you for inviting the Marine Corps to this important hearing.

I am Dr. Mike Bailey. I am the Technical Director of the Marine Corps Training and Education Command (TEC), and I am the technical lead for all Marine Corps involvement in JNTC.

The Marine Corps is fully behind the TEC and the JNTC program. The JNTC has stimulated us to develop a much more aggressive plan to modernize Marine training ranges to serve our Marines and to fully participate in the JNTC events. Congress has helped us begin that process this year at the Marine Air-Ground Task Force Training Command (MAGTFTC) at Twenty-Nine Palms.

The Marine Corps has developed the plan to promulgate JNTC compatible range instrumentation Marine Corps-wide through our new Range Investment Strategy. Our emerging instrumentation capability is consistent with our ethos, and reflects our priority on live fire combined arms deployment in desert and urban terrain. We will also meet the JNTC site certification standards developed by JFCOM. We think it will support better training, increase accountability and enhance the safety of our live fire training ranges.

The Marine Corps supports the JNTC. This joint training opportunity is real.

I look forward to answering your questions. Thank you very much.

Mr. HEFLEY. Thank you, Dr. Bailey.

[The prepared statement of Dr. Bailey can be found in the Appendix on page 400.]

Mr. HEFLEY. When we first began the housing privatization, everybody at the top levels of the Defense Department and the uniformed services thought this was a great idea. But we found that down at the field level, there was a lot of cultural resistance to it. I am wondering, you all did a great job of explaining the policy and the direction and so forth. This clearly is the policy of the Defense Department and each of the services.

But how do the people down at the field level respond to this jointness? Because it seems to me there is still a lot of service pride, I guess I should say. I wear this uniform and you wear that uniform, and we are on different teams, but, yes, we play on the same field.

Is that the case now, or is that being accepted down through the ranks pretty much, this new philosophy?

Dr. MAYBERRY. I will be glad to start here, sir. That is the exact question that Deputy Secretary Paul Wolfowitz had. He has been a champion for this concept of a joint National Training Center that has evolved into a capability. So, for the January event, he turned to me and said, "Paul, I want to go out to each of these locations, at Twenty Nine Palms, Nellis Air Force Base and Fort Irwin, to be able to look individuals in the eye and ask that exact same question."

After his two-day trip there, he turned to me and said, "They get it." it really is important that the types of individuals that he spoke with were combat hardened veterans. This was the third infantry division who had recently returned from their stint in Iraq and were in training for future deployment there as well.

He wanted to make sure that this was not just at headquarters level, with everyone sort of shaking their heads. But, sir, I think



the individuals with the real answers are probably the service members themselves who also respond.

General WEBER. Sir, I don't mind at all stepping in.

I would tell you at the lowest soldier level, the soldier carrying the rifle probably can't tell the difference in terms of what he is doing for training day-to-day. What you find, though, is as we become more and more joint, the level of jointness, the education that you deal with in terms of officers and commanders and their staffs, that joint knowledge, experience and training is starting to drop to a lower and lower level. So our younger officers are learning quicker and faster and better the impacts of what the other services bring to the fight and how we, as Army component elements of that fight, can better leverage those capabilities that the other services bring in.

For example, battalion commanders today have situational awareness that division commanders may have had 10 years ago. That is powerful information that that guy can use to fight what he needs to fight in his direct front. He knows where the aircraft are, he knows how to get the aircraft, he knows who can control the aircraft or what other fires may be available. It may not be Air Force-specific, it could come from our flank in the Marine units or it could come from Navy aircraft.

The soldier doesn't care. The battalion commander doesn't care. All he needs to know and understand is this how I need to get it, and then somebody else figures out what is going to deliver it.

But what you see in the level of experience of today's Army at least, is that information is getting lower and lower and lower. The beauty of the Joint National Training Capability is we can train without having to put large numbers of forces, commanders, and bring those elements together in fairly costly and time-consuming events; and we can tie that together, hopefully through some live pieces of that, but clearly with virtual and constructive elements as well. It just leads to a better-trained force.

Admiral HART. Mr. Chairman, if I may go ahead and join in, in preparation for the hearing today, I got an e-mail from Carrier Air Wing Two out in San Diego, primarily, but also out of Lamore, as a matter of fact, an air wing I know well because they were in my battle group when I was the commander of the Constellation Battle Group just a few short years back.

They participated in the January event. The current deputy CAG, Carrier Airgroup Commander, was my air operations officer, so I know him personally.

I got what we would say to the Navy was some pretty straight "gouge" from these guys, and the import of what they told me was the best part of the training was we have got "warts." the best part of that is we now know where some of these warts are.

My take away is that the warts that were unveiled is exactly the way we want to go and why it is so important to do the joint training piece. There were some disconnects and there were some areas that need some work; but the fact that these guys at that level, and their young pilots in the cockpits and their crews are now sensitized as to what they are, is the only way we are going to fix them.



So, to me, the JNTC represents a significant step forward in getting all that synthesized and finding where all these areas are. And, frankly, it is very consistent with what I saw just about a year ago when I was deputy commander in Europe. As you may recall, we had two fifths of the Navy combat power in the Eastern Mediterranean in the *Harry Truman* and the *Theodore Roosevelt*; and there was a level of frustration, almost daily, in the evening Video Teleconferences (VTCs) that we do on wrap up for operations, with pilots coming back having flown the northern routes, trying to provide either close air support or a number of other things in the joint environment, and frustrated to some degree because there was a lack of cohesion in some of the procedures among the services.

It is primarily because, as was stipulated earlier on, we know how to do it, but we have not practiced it adequately together. That is what this offers us, is that opportunity to do that.

Thank you.

General SEIP. Mr. Chairman, I would tell you that probably not every airman gets it, but the vast majority do. Through the JNTC, with this live virtual constructive type of venue that affords us horizontal training and vertical training, as well as the integration piece, that more and more airmen will be exposed to the joint working relationships that are necessary to be successful out there in the battlefield and the battle space there.

So we see the JNTC as a great way before we walk into harm's way to expose our airmen to the types of scenes, fog of war, that ought to be done in a peacetime type of environment, so we will be more effective when we actually step off.

Dr. BAILEY. Sir, I will just chime in with everybody else. Marine officers get it. Marine officers view joint context as critical to exercises. If we can't get it from the JNTC, we do it ourselves. We do it a lot more poorly, if you will, than we can get it from JNTC; but we always have it.

Mr. HEFLEY. Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman. Thank you all for your patience.

Dr. Mayberry, is it likely that the JNTC will consist of one or more original training constructs or sites in addition to the West Coast and East Coast and areas that are now being developed? If so, does DOD see certain advantages in conducting joint training in the western Gulf of Mexico, in that particular area? Maybe you can elaborate a little bit on that.

Dr. MAYBERRY. Certainly. I think that the notion of a training capability really requires that we pull together many of our regional facilities. And whether those are training ranges, whether those are testing ranges, we as a department really have to capitalize on all of our national assets. The initial event, as you know, is in the western range complex. In the June time frame, we will be functioning basically on and off the eastern seaboard. In the August time frame, we will be in sort of the Gulf region, not as far west as you are speaking.

But I think as we go forward, that we must be able to have how we go about linking all of our national assets. I think that many of the assets of testing, training ranges, that it you speak of in your

area, really do contribute to the notion of power projection from the shore very far inland; those are the types of scenarios that we are going to have to advance forward.

The customer for all of this joint training really is the combatant commander. So how exercises will be designed and the priorities as to what is particular training or exercise in a particular event, must stem from the mission or essential task of that combatant commander. I think the types of facilities in terms of Naval, meaning both Navy and Marine Corps, the Army, as well as the Marine Corps coming in from the western areas, would lend very well to the types of complexes that are available, be it Fort Bliss, White Sands Missile Range, or the Corpus Christi area.

But the overall thrust for these events truly comes from the combatant commanders as the individuals to be trained in terms of joint skills.

Mr. ORTIZ. Great. General Nash, as the secretary just mentioned, from an operational point of view, we do have other bases, Fort Bliss, Fort Hood; and we connect together. In fact, they use our port of Corpus Christi when they have training exercises to move out and do their training. We don't have the encroachment problems that many other communities have. We are free from encroachment problems. At the same time we have free, uncongested skies. So in my opinion, and I am not trying to be parochial, Mr. Chairman—

Mr. HEFLEY. Wait a minute. Did you pay for this commercial message?

Mr. ORTIZ. But I think the area would be ideal. Maybe you can respond to that question, General Nash?

General NASH. Mr. Ortiz—

Mr. HEFLEY. He meant to add Fort Carson and Fort Bragg to that, too.

General NASH. Sir, thank you very much for the question. Sir, Fort Bliss will be one of our hubs for the information or, hopefully, when we have the opportunity to establish the persistent or permanent exercise architecture at various locations within the United States, we will be able to run satellite, if you will, locations from that location. So Fort Bliss is there. We have looked at Corpus Christi. We have had visits from a great team from Corpus Christi advertising or describing the advantages and capabilities at the Padre Island area, some of the port facilities, some of the inline airfields. Sir, we have looked at that region.

There are two ways in which a location may be nominated or become a Joint National Training Capability location. The first is the services nominate it. We have about 30 sites within the continental United States which we are looking at during this year. That will expand to cover even the larger expanses of the United States.

The second way a location can be included in the Joint National Training Capability is what comes under my auspices as the Joint Warfighting Center commander and under which I have the joint management office. We will look at locations that will enhance or complement already selected locations.

Sir, thank you very much.

Mr. ORTIZ. Thank you, sir.

I want to thank the rest of the members, Mr. Chairman, for staying behind. We know that the House has finished their business, but they chose dedication and commitment. We seem to have more on this side, so we can take a vote on base closures right now and win.

Mr. HEFLEY. The ones on this side are tougher, I will tell you that.

Mr. Taylor.

Mr. TAYLOR. No questions, Mr. Chairman.

Mr. HEFLEY. Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman. I have got a couple of questions.

First of all, for General Nash and Dr. Mayberry, how well is the JNTC initiative linked to the BRAC process? Maybe in the context of your answer, is the Joint Forces Command represented in the process at the appropriate functional committees at OSD? And, obviously, we are concerned your voice is being heard on how important the JNTC is to the changes that you are making.

Dr. MAYBERRY. Let me begin with this one. The BRAC process is really focused on a variety of what are called Joint Cross Service Groups. One of those is focused in the education and training area, and the principal Deputy Under Secretary of Defense for Personnel and Readiness chairs that group.

One of the overarching guiding principles for the considerations as these sub-groups go forward is the principle of jointness. So, sir, I know that as they go about assessing and analyzing military value for education and training facilities, which will include training and testing ranges as well as part of their considerations, the notion of encroachment that was spoken of earlier is a valid part of that, the issue of how locations can bring joint to the calculus of military values is extremely important.

But there is really no explicit linkage between, other than the principles that we have talked about here today, the primacy of joint training and the value of no explicit linkage between JNTC and BRAC; BRAC is an independent process as it goes forward.

General NASH. Sir, thank you for the question. As for your question, how integrated are we across the Office of the Secretary of Defense and within the services, I would first say look at this team. I know everybody's first name, we meet closely together here. We have three levels. We have the Joint Integrated Process Team, which is really the Colonel-Navy-Captain-06 level and significant staff officials within the Office of Secretary of Defense and the various service departments.

The next level up is the Executive Steering Group, Senior Advisory Group. We all sit on that group. But also our three star, if you are the services, your operations deputies sit on that. So in the hierarchy, this ensures that this Joint National Training Capability is integrated throughout the Department of Defense. The representation also comes from the various agencies, organizations, and offices within the Office of Secretary of Defense.

The final level, the Executive Steering Group, which is chaired by Dr. Chu and my boss, Admiral Giambastiani, the membership also includes some of the principles within the Office of the Secretary of Defense, but also the service vices, the assistant com-



mandant, the vice chief of staff of the Army. So it gets significant oversight and review.

Now, civilian agencies, for example, today, at Joint Forces Command, we are holding an "Industry Day," in which senior representatives from industry are invited to participate. The topic this year is combat identification and how to prevent fratricide. The venue in which we are discussing that down at Joint Forces Command today is within the context of the Joint National Training Capability.

We invite participation from local governments, from industry and anywhere within the Office of the Secretary of Defense and the Department, sir.

Mr. REYES. And in that vein, I shared my thoughts with several of you on the integration of the air defense component with the National Training Center; and you were telling me, General Nash, in June, I believe, there will be another exercise where they will be actually incorporated into the training.

The concern that I have, which I am trying to get money for, is to integrate the National Air Defense Center at Fort Bliss, White Sands, and get it to be able to tie in with the National Training Center.

I wonder if anyone had any comments to make on that?

General WEBER. Sir, I will take that. The unique aspect of the JNTC, what we are trying to build to is a capability where we can have units, headquarters, formations, and commanders tie in from anywhere in the world to participate in a training event, either preparation for a real world event and execution prior to a real world event, or just for normal training in order to empower ourselves at the joint level.

In your particular case, with your question, sir, on the Fort Bliss piece in January, that is a capability that we will be able to do, I think, fairly easily. We are talking communications architecture here in the most fundamental sense, I guess, with some simulation capability, but also some life folks who are going to participate. That organization could just as easily be in Korea to tie into this event. So that is what is really empowering about the JNTC construct, we are not limited to fixed sites or fixed formations or people. We can do whatever we need to do.

So, I would tell you, sir, that the June event will be pretty exciting, because we are going to take it down the air defense path. The Army is participating in that with several key components, but it is just a piece of the larger exercise play.

So, to answer your question, I would tell you we are excited about that. We are using the Fort Bliss piece of this now and tying into this new event in June.

I hope that answers your question well enough.

Mr. REYES. That is helpful. Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Larsen.

Mr. LARSEN OF WASHINGTON. Thank you, Mr. Chairman.

I want to ask a few questions about the network and the systems architecture; and perhaps Dr. Mayberry and General Nash probably can start out with answers, because these, I think, are perhaps questions most appropriate for you.



One of you today said you still need to address the creation of forward-thinking technology standards as well as equitable funding responsibilities. My antenna went up a bit. That tells me in terms of creating a network or systems architecture for JNTC, it doesn't seem to be at one set of standards yet perhaps developed.

On top of that, some of the work we have here, which was given to us through the staff work, talked about the January event where you leased commercial communications nodes and later then broke those down and were having to build that up again perhaps for the June event, after which we may have to break down again.

So there is a question in my mind just about what we are funding, how it is being funded, and who, sort of, is in control of being sure we are actually on our way to building a standardized JNTC network. And who is in charge of designing that architecture and what standards and protocols are being used; is it in compliance with the GIG network, which we have been exploring on the Terrorism Subcommittee, and what is your plan in the future to ensure you are integrating both legacy systems and networks with the new systems that you are developing?

We need to get a handle on some of the costs. We cut \$2 billion out of the authorization of a \$28 billion IT budget last year in the committee because of some of the concerns about where the money is going in IT within the department.

So, if you can help me understand where you are headed with the systems architecture development of the network and standards, that would be helpful to us on the committee.

Dr. Mayberry and General Nash, I will let you start; and if the individual services have comments, we will go from there.

Dr. MAYBERRY. The issue of networks for JNTC is intended to build upon the existing service networks, whether to build upon existing engineering networks and the testing community, to really be able to leverage much of the ongoing work.

You raised a very good question about the January event and that some things were leased and then basically pulled at that moment. We had to do that because of some lack of funding that was actually pulled back. That was the intent. What was in place—

Mr. LARSEN OF WASHINGTON. The intent was to pull it back?

Dr. MAYBERRY. The intent was to fund this so it would be permanent, so we could build upon this having a persistent network in place.

Sir, that is the focus; and as we sort of pull all of the architecture issues, the issue of the Global Information Grid (GIG), training is going to have to work hand in hand as a community with the operators here, because initially the training communities were not included as a part of those networks to the extent that they did not overlap with operational sites.

Now, sir, that is something that we as a department are going to have to address going forward here, to be able to capitalize on that, because that is the way that we fight, that is the way we are going to have to also be able to plug in through those training opportunities.

General NASH. Mr. Larsen, we work hand in hand with the Defense Information Systems Agency. As the Global Information Grid, especially the Bandwidth Enhancement Program develops, we will

use that program to establish persistent or permanent architecture between the Joint National Training Capability installations.

Today, we have targeted about 50 percent of our Joint National Training Capability locations to be part of this persistent architecture. Remember, we will not reach initial operational capability until October of 2004, this year. With full operational capability, where we have built this persistent architecture, not only across the continental United States, but made it exportable, or mobile, where we can take this wherever U.S. forces and even multinational forces may need to train, or, more importantly, conduct a rehearsal anywhere around the world, this is very important. Again, this is not a separate effort on the part of the Joint National Training Capability program.

We also did leave some architecture in place and some of the apparatus in place at various locations that participated in the January event. As more events are conducted, we will establish a more permanent architecture that does not need to be built up and broken down after every event. That is not a wise use of the taxpayers' money.

Mr. LARSEN OF WASHINGTON. Any of the other services?

General WEBER. Sir, I can pile on with General Nash. That is truly what the Army tries to do; when we bring in a new exercise or scenario and we have to build infrastructure, our intent is to always keep as much as we can so we don't have to rebuild it later. Sometimes we do a good job at that. Other times it is not possible. But we do give it every effort we can.

Admiral HART. Mr. Larsen, from the Navy perspective, with the high level of architecture that has been defined, we all know that if we ensure that we develop and use systems that are in keeping with those requirements, we should be right on the money. It will allow us to use legacy systems as we build toward that. Of course, for us in the Navy with our vision on ForceNet 21, that is exactly the way we want to go. That alone itself, then, would be consistent with the overall GIG piece that you had referred to earlier on.

General SEIP. Mr. Larsen, I will tell you the Air Force shares the same vision that was conveyed to you by General Nash. We certainly don't want to have a duplicate effort out there, nor do we want to build an architecture that possibly brings the wrong lessons learned to the training environment out there.

So, we don't want to necessarily have the capability where we think we are going to have a dial tone every time, to put it in layman's terms. We want to make sure we have the architecture out there that is one that is going to replicate what we think we will see in the battlefield.

Dr. BAILEY. Sir, the Marine Corps is strongly supportive of the standards-based approach that JFCOM is taking to develop not burdensome, but useful standards to support joint training.

As to the build up-tear down issue, we should all remember that this January event was a fairly high adventure activity and that we very well could have blown it; and if we had blown it and bought it, that would have been a lot worse than leasing it and blowing it, and then being stuck with something.

So, we were one of the sites that got pulled back on, and we fully expected to be permanently in place in the next year or two, and



we find that acceptable. Frankly, the Marine Corps is not necessarily supercharged up about being a guinea pig when it comes to training, so we are okay with the prototype approach.

Mr. LARSEN OF WASHINGTON. Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Saxton.

Mr. SAXTON. Thank you, Mr. Chairman.

First of all, thank you for your patience here this afternoon. We appreciate it. We are used to it. Mr. Hefley and I were talking on the floor during the debate, and, frankly, it is a tad embarrassing when we have guests come here and try to help us out, and have to leave you for an hour to go off and do something else. That is not the way things should work. But anyway, having said that, that is the system, and that is what we work in.

It is fairly obvious that there have been some rather dramatic changes in warfare. I recently read where someone's analysis of the evolution of warfare from World War I, to World War II, to Korea, to Vietnam, to other smaller wars we have had through the period of time, and then into Afghanistan and Iraq; and it is true that warfare has certainly changed. There are no longer front lines in the traditional sense. The rules of morality have changed in warfare. The treatment of non-combatants has changed.

The goals of enemies have changed. That is, where we used to have wars of attrition, now we have actions in wars that are intended to have a psychological effect on the enemy, in this case the enemy being us. Weapons have changed, technology has changed. There have been so many changes, if you don't look back at it, sometimes you don't realize it.

Keeping in mind all of those changes and the enemy we now face, particularly in Iraq but also in Afghanistan and many other parts of the world, could you describe how JFCOM and each of the services plan to train future opposing red forces to think, adapt and act as credible adversaries in this new evolving and evolved environment?

General NASH. Mr. Saxton, I would like to take that first from Joint Forces Command.

Having an incredible opposing force is one the four pillars of the Joint National Training Capability. As I mentioned in my statement, we are no longer fighting a conventional force, as you said, we are fighting an asymmetric threat that has no rules, has no ethics, and really only wants to influence national opinion.

In the January event, for example, the opposing force out in the field, in the desert at National Training Center, had cell phones to see if our forces could monitor them and pick them up. They had their own unmanned aerial vehicles to spy, if you will, on the friendly forces in the exercise.

We had aggressive air contracted. Although they had once been U.S. A-4s, they were now aggressor air, to see if our surface-to-air capability could detect them and then kill them before they got to the friendly forces.

We had leased now under civilian hire a "Hips and Hinds," former Soviet aircraft, to insert aggressor special forces to see if they could get through our defenses.

This is a key part of the national training capability. That is live forcing.

Under the constructive portion, which is the computer enhancement or wrap-around that integrates all of the common operating picture, we had aggressor forces coming in at the friendly forces to see if they were detected, and the friendly force commanders executed the right combating operations to detect them first and then to kill them. So we have included this as one of the key pillars of the Joint National Training Capability. Really, it is thanks to the support of these committees to provide the resources to make that happen.

General WEBER. Sir, again, I have got some experience with the National Training Center, particularly Fort Irwin, but we want independent thinking and aggressive op forces, opposing forces.

So we encourage, for example, the National Training Center, the ground opposing force commander is a full colonel. He gets paid to be innovative. He brings those ideas to the commanding General out there, and we work through the scenarios to try to keep him in a box to some extent. I mean, sometimes they come in asking for capabilities that you couldn't find anywhere else in the world. But we pay him to be aggressive and to be independent thinking, and apply the lessons learned, for example, that he and his organization see occurring in Iraq every day. So he will take those lessons, bring them back, try to incorporate them into the scenario as an opposing force commander.

In simulations as well, when we do command and staff exercises, whether they are contracted guys or green suiters that come in and we bring in, those folks are paid to be independent minded. We try not to limit the constraints that we put on to those folks.

So we need that kind of rigor and vigor, if you will, from the opposing forces, to really challenge us as well, to make us think, and to get better at what we do.

What we have seen in the Joint National Training Capability is that that Op-4 environment is something we want as well, something that is independent, free thinking, makes you think about what is going on. So we are happy with what goes on at the National Training Capabilities level in this case.

Admiral HART. Mr. Chairman, thinking about your question, I could not help but harken back to about 20 years ago as a lieutenant commander skipper of a frigate assigned to Op-4 for a major exercise, and it was going to be a one-on-one defense as opposed to zone, if you will, in basketball parlance. When I asked with whom I had to deal, the answer was the Battleship New Jersey. It was not exactly a fair fight, as you can well picture.

Yet the point that I am trying to make is that it really was not an Op-4 worth putting against that particular asset, and yet there were a lot of steaming hours and days spent around the ocean trying to create that atmosphere.

One of the things that I take away, especially for us in the Navy, where the mobility of the sea space is a particularly difficult challenge, is the ability to bring in the virtual and constructive piece and get inside the head of a commanding officer of a ship or a leader of a squadron of airplanes, to really challenge him and his folks in a multilayered, surprised, very often difficult and asymmetric fashion to think through the whole problem and see if we can react.



That is what I think is one of the great outcomes of JNTC, because you can merge that into the live piece. Thank you.

General SEIP. Mr. Chairman, I see the Air Force taking a two-prong approach to this. One is we stood up a directorate there that is focused on lessons learned, and what we are trying to do is get away from lessons observed and turn those into lessons learned. You take those lessons learned, turn those into tactics, techniques and procedures, and be able to apply those to our exercises where there are opposition forces, and then share those through Joint Forces Command so that they can tie into that pillar of a professional opposition force out there that can bring that live virtual constructive type of play into these horizontal and vertical types of exercises.

Dr. BAILEY. Sir, Combined Arms Exercise, which is our exercise that was linked to the JNTC for the horizontal event, is a live-fire exercise. It is our best and only combined arms live-fire opportunity for Marines. So it is portrayed that the Marine Corps does not do live Op-4. That certainly is not true. It is just not in this one exercise.

It just so happened that about a mile away from where the JNTC visit site was at Twenty Nine Palms, we were tearing down a housing complex. We were talking earlier about privatizing housing. Well, this is going on at Twenty Nine Palms.

So as they were tearing the housing down and closing the housing up and condemning it, the Marines were using the fenced-in area as a security support operations site. So we were actually pushing patrols of platoon and squad size through a dilapidated housing area, using what are called simunitions as their ammunition. In that housing area, we placed a company-sized live Op-4 in the form of women, children and men, all who had been trained by Lt. Colonel Woodie Woodward, who was the commander of First Battalion, 7th Marines in OIF 1. So Woodie basically created an Iraqi town full of everything you can find in it, and then we had patrol operations going through that area.

So we definitely take lessons learned directly from combat Marines and turn that into as much of an asymmetric threat portrayal as we possibly can.

Mr. SAXTON. Let me ask one follow-up question. The nature of our enemy is different in many respects, in some respects, than the nature of any enemy we have ever faced, and that is because they would rather die than live if they can kill us in doing so. That is different. Can we simulate that kind of an opposition force?

General NASH. Mr. Saxton, I had a chance to visit the National Training Center during this event. What were once pristine corridors, if you will, or open areas in the desert at the National Training Center, Fort Irwin, where units fought much as the way Pershing rehearsed several years ago, the Army has put villages in these pristine desert patches, being very creative, making them out of sealand containers that can be reconfigured. They have built tunnels down into the rocks.

So when a friendly force shows up, one guy walks out with a white flag, or 100 role players come out with a white flag, both men, women and children role players, often families of service members themselves. Then they all break out weapons. Or in this

tunnel complex, it may be a hospital or it may look like a hospital in which role playing weapons of mass destruction are being built or stored in.

So, sir, there was a company commander who, it was a very cold day as the wind can blow across the desert out there in January, and he was in his shirt sleeves sweating. He said I have not been scared like this since I was in Iraq last year.

Sir, I hope that answers your question. We are presenting them with a significant challenge that will hopefully make it harder in training than they face when they go in harm's way.

Mr. SAXTON. Thank you.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman. I would like to follow up on Mr. Saxton's question. Without the introduction, he is quite right, this is a different world. But it is similar to the world I was in in Vietnam. One of the things that struck me was that in many instances and in many ways, the most effective person that I had around me was a recon platoon sergeant whose job was to go out and find, kill, capture the enemy; he was my Kit Carson scout. He spoke the language, knew the territory, had great instincts, was a more effective soldier than most of the folks around me, by far, and in some respects irreplaceable.

It seems to me for where we are in Iraq, you do the conventional part of it, a lot of the exercises that you would typically go through and are going through prepare you well for that. Then you get to the unconventional part of it, where we are right now, and our success is very dependent upon whether or not the Iraqis step forward and start policing their own country. It is our relationship with them that determines whether or not we are going to be successful in tracking down these guerrillas.

So we are trying to stand up units of Iraqis, train units of Iraqis, integrate with them in different ways, as we did in Vietnam; and our ultimate success is dependent upon that. An alien Army has a comparative disadvantage that simply cannot be overcome in a situation like this unless we are willing to kill a God awful number of people, which we are not going to do.

So I guess my question is a very broad one. It is how do you, in your training exercises, integrate the kind of experience that we are going to find ourselves in once we get past the conventional part of conflict? This is going to happen pretty quickly, in just about every instance, it was pretty predictable that it would in this instance, and it did, and we are in this environment in which really we are dependent upon this new group of people.

The School of the Americas is an example. One of the reasons why we formed that, I suspect, is because we realized how important it is for us to have relationships with military types in different parts of the world.

So, I guess I wonder, to what extent you do that in your training and can you do that in your training and should we be doing more with those sorts of things?

General WEBER. Sir, I don't disagree at all with your comments. I think they are absolutely correct.

What I can tell you is the lessons we learn in Iraq, we have methods to bring those lessons very quickly back to the National Training Center, in our case, and incorporate those lessons learned and to build those stressors, if you will, into the scenarios and into the situations and conditions that we present to ground forces that go train out there.

In this coming month, we have a brigade of the Third Infantry Division; the Second Brigade is headed back out to the National Training Center. The Third Infantry Division is being deployed once again to Iraq toward the end of the year, as most of us know. The scenario will input those kind of stresses into those conditions for that brigade training.

We do as well as we can. We make unit commanders have to deal with things as simple as working with an interpreter, for example. If you never have had the opportunity to do that, that is very stressful work. It is very frustrating. It is hard to do. But we input those conditions into the scenarios to force it to happen.

We take all the lessons we learned and we take the frustrations and try to build a scenario that sets out the conditions as realistic as possible.

Can we exactly replicate it? No. As Congressman Saxton pointed out, there are some things you just cannot do in a training environment. You can't induce the stresses really of people shooting at you. You can't induce the stresses of blood and things running all over the place, kids screaming down the street, who is a target, who is a foe. We do that as best we can. We introduce those kinds of things into our scenarios to prepare soldiers to be able to face it.

Now, what you will find when you talk to soldiers is that the conditions that we train them on reflect fairly accurately what is in the theater that they are going to, be it Iraq or Afghanistan, Haiti, Kosovo, Bosnia. We put a lot of energy and money and effort into setting up the conditions right. So when they get into theater, the stress may go up a little bit, but it is not really the first time they have seen that kind of scenario, so they are better prepared to deal with it. But there are some things we just can't overcome.

Mr. MARSHALL. Do you have, for example, where Iraq is concerned, hypothetical police forces and those sort of things?

General WEBER. Yes, sir. Absolutely. As General Nash mentioned, if you go out, even in January, we set conditions out, and we will put out a town of several hundred people, we can even go up to several thousand, if that becomes the principal event for that scenario, and induce friction in there. Five or six guys are the antagonists, the others we don't know about; they hide the weapons, shoot at us. We can do that very easily. It takes some planning and preparation.

Dr. MAYBERRY. Sir, I was able to have the opportunity to visit the training of the 30th Enhanced Heavy Separate Brigade, the "Old Hickory" out of North Carolina, as they are about ready to rotate into Iraq now, and the contemporary operating environment that General Weber spoke about was really tremendous.

The training support brigade there had gone out and hired, via contractors, many Iraqi Americans, I am talking about hundreds, to come in and participate as part of this reserve component train-



ing, much less active component training. It really got into some very complex scenarios of search. How do you go into a house? How do you identify the dominant senior male. How do you treat the Iraqi women? All of these are very complex issues.

Then you roll in a crowd scenario, where here you have a young soldier having to deal with rules of engagement, and does he fire and use of force. I was amazed at the complexity of the situation here at an urban operations training facility at Fort Bragg that really did test these individuals to the max.

What we seek as a part of the Joint National Training Capability is also that it be capabilities-based. We can't do it all. We don't have the resources nor the time. But how do we become a dynamic training organization? Yes, we may be in an urban facility at this particular juncture of our Nation. How do we become able to have a capability to go further than that?

Mr. MARSHALL. Mr. Chairman, I see my time is up. Could I just follow up?

I guess my question is, in that kind of scenario that you just described, do you have hypothetical allies among the Iraqis that are working with you, that you are coordinating with? You mentioned the translator. But do you have a Kit Carson scout? Some of you know that reference, the Vietnamese that worked with us. They are included in the training exercise?

General WEBER. Yes, sir. I would be remiss without mentioning, we do the same thing at all of our training centers, at the Joint Readiness Training Center at Fort Polk and the Combat Maneuver Training Center in Europe.

But, yes, sir, the populations that we build into these scenarios, we will have some bad actors, we will have some pro-U.S. actors, they will have some neutral actors, and the neutral folks is where you really get concerned, because if you do something as a commander or someone on the ground, a soldier, that will lead to some effect, if you do something good, then the neutral parties have some positive reaction to that. If you do something wrong, then the neutral parties will become antagonistic and you will have a negative reaction to that. So what you do on the ground has an impact on how that population group, good, bad or indifferent, reacts.

But we do build in those kinds of scenarios. You will be told here is your translator; he is trustworthy to the 95 percentile level. Perhaps one of our soldiers will end up killing his sister in the scenario somehow. Now you have got to deal with that problem.

So we induce those kinds of things. I think any one of the training centers you would see, or whatever training at the local areas, you would see those kinds of efforts being made.

General NASH. Mr. Marshall, we have four services sitting at this table. We actually have what I like to call our fifth service, the United States Special Operations Command. More emphasis has been placed on our civil affairs and our psychological operations groups, and they have been really probably stressed to the max to support our worldwide deployments right now, and they play an integral part in this.

Mr. MARSHALL. Thank you, Mr. Chairman.

Mr. HEFLEY. Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.



We appreciate you all being here. This is very helpful, opening up our eyes to some the things you all do. I was at Fort Polk about three weeks ago. General Weber spent about a day there with a lot of Arkansans that are heading to Iraq.

After two or three hours, I started feeling like I was in a foreign country seeing all the things; it felt like being overseas at a military operation.

My favorite training story is one that involves myself. Years ago before I went to medical school I was an orderly, and we had a hospital I worked in. One morning, we had a disaster drill, I think it was a simulated plane crash, and my job was to go outside and block the street and only let ambulances by.

Dr. SNYDER. And when the hospital administrator came by that morning to park her car, she was not very excited about the fact that I would not let her in. It would have been much better for my career if it had been a virtual hospital administrator.

I want to ask General Weber in response to Chairman Hefley's question about jointness and at what levels does everyone appreciate jointness. You said that at the lower levels it is not noticed very much. I think this is just a sign I do not understand your business very well in this area. I would have thought that at the lower level, if your Army guys are out some place and they need help and, for example, perhaps there is a Marine unit nearby, they want to be sure that their radios, that they can communicate with the Marine unit or they need close air support. It might be an Air Force plane, it might be a Marine plane, it might be Naval fire. I would have thought that maybe your guys on the ground might be the ones who would notice it most in terms of who is circling overhead, where is the fire coming from. Straighten me out.

General WEBER. Sir, what I will tell you, is that the soldier on the ground will see the effect from those platforms.

Dr. SNYDER. And they do not care much where it comes from?

General WEBER. They do not care where it comes from. The soldier on the ground just does not know and he does not care.

When I was at the National Training Center, I had a poster up for our staff training piece. It had a photo of a tired, fatigued, unshaven soldier. And the comment was, this soldier doesn't even know who you are.

Now, this is directed toward the battalion level staff, his own leadership and staff. He does not know who you are. He does not care. All he needs to know is what do you want him to do, where and when.

Dr. SNYDER. They would care if jointness did not work, would they not? If they have an Air Force plane circling overhead?

General WEBER. Yes, sir. If you cannot get the effects, yes, sir. It has an impact, but he does not know if those effects are artillery delivered, air delivered, Tomahawk delivered or delivered some other way.

The question that we wrestle with is at what level really does everyone need to be fully jointed and everything else. Do we expect our young soldier to have some compensation and understanding of what close air support might be in this case?

I would argue maybe at the platoon sergeant and platoon leader level, yes. So we are looking at inducing joint level terminology

training, et cetera, down to the lowest officer level training and the mid grade NCO level training, to start inducing more and more of that terminology and concepts to them.

Dr. SNYDER. That is what I thought you meant.

My last question, and if each of you would respond, I think it was General Seip mentioned the words, I think it was you who used the term "warts," General.

Admiral HART. That is a Navy technical term.

Dr. SNYDER. Which I assume is what the training is all about, the finer things and to correct it. But what I would like you to discuss, and I think you have done that in some of your witness statements; and I was at another hearing and missed the first part of this, but what were the warts that you discovered as far as the training itself, the things that the training did not work, that it was not real, that it needs to be improved, that it did not do what you wanted it to do. Go down the line or however you want to do it, and that is my last question.

General NASH. People ask me how do you ensure interoperability. And through a Joint National Training Capability event that brings services together for the first time in many cases, maybe we find out that we have not distributed the same call signs on a very basic level to everybody. Maybe everybody does not have the same frequencies. We even have the same kind of radios but they cannot talk to each other. We may have a different, we call it a cryptofill, so they can talk in code to each other. In fact there is a story, not a story but a real world example. That is the Marines moved up one side of the Tigris and the Army moved up the other; they had to hold in place and use a small boat across to exchange call signs, frequencies and crypto materials.

Dr. SNYDER. If I might interrupt, General. That would be a sign to me that on the ground they knew that jointness was not working at the platoon level if they had to do that, to miscommunicate Marine to Army.

General NASH. Mr. Snyder, this is why we need to train together at all levels before we ever deploy our men and women in uniform. One small example; I could probably go on all afternoon but I will defer and I will be welcome to entertain any questions.

General WEBER. Sir, it has been mentioned we train to identify weaknesses and to correct those weaknesses clearly. I will give you another anecdotal story. I was the Assistant Division Commander for Support for the 3rd Infantry Division, as we flowed in; the 1st Marine Division eventually followed in behind us. But in and amongst all of that, we kept getting more and more truck companies coming in and resources to help support. And unbeknownst to me, and I am a general officer now by this time, the Army, by our doctrine, is obligated and designed to support Marines with logistic support.

As I see all these trucks flown into theater, I think a good part of them are coming to me when, in fact, I have to share them with our Marine friends off to our flank. That is all well and good, but it probably would have been useful for me to learn that some years if not decades earlier.

So that is the kind of thing I take away is we can do better. We have identified those faults. The Joint National Training Capability



will allow us to learn those kinds of lessons in a virtual, constructive, sometimes live environment, and make it smarter at a younger age to not run into those problems in the future.

Admiral HART. Dr. Snyder, I think your question was probably specific, for instance, to the January exercise we just experienced and some of the concerns we had. Obviously for the Navy one of the key ones, which, of course, is a problem of our physical environment since we cannot take that coaxial cable with us as we steam out of harbor, is a function of bandwidth and its limitations and how much we can actually bring down and incorporate into the ship if it is under way in a live environment, while it still has all of its other circuits that are required up for other things that are going on at the same time. So bandwidth is something that is a challenge and will be one that we have to continue to address.

Specific to the exercise also, one of the areas that I got a little bit of frustration in feedback to me again from the air wing, was not so much on the fast moving shooting airplanes, because they typically are a fairly easy part of the flight in terms of the way we do business, the Hornets in this case. But it was the E-2C Hawkeye and its integration into the exercise, and I think it was a function of tactics and procedures that really has not been very well articulated in its role in a joint environment. It is an airplane that typically is much more in a strictly service role and yet can have a great capability when brought to bear in a joint environment.

So those are the kinds of warts that I was talking about earlier on.

General SEIP. From a larger context, I would propose to you that the JNTC will allow us take the lessons observed from all of the services, turn them into lessons learned, be able to apply those to some joint tactics techniques and procedures, and then lay those into the various exercises so we can minimize the seams, minimize the "fog of war" that will occur when we step off into the conflict.

Dr. BAILEY. I will give you one operational and one technical, sir. Operationally, we had combat veteran aviators on the Navy and Marine Corps aviation team; and during the conflict, they actually developed on the fly a TTP, that is, a tactic, technique, and procedure, that was a technique actually called keyhole casts. It is not really important that you understand exactly how it works, but suffice it to say that there was a new way of communicating between forward air controller and aircraft that was developed during the war.

The aviators came home and expected the air controllers at the National Training Center to know this particular technique, but they did not because they were not combat veterans. This is an instance where a technique was promulgated to a large audience straight from combat, a lesson learned, that did not go through a joint lessons learned data base, and did not get talked about at the Navy War College. It went straight from combat veteran to potential combat veteran as part of the exercise. It was something that was forced by the JNTC, and you can call it a wart but it was a really great thing. A lot more people know about keyhole casts as forward air controllers now than they did two months ago.

Dr. SNYDER. Thank you, Mr. Chairman.

Mr. HEFLEY. Mrs. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you very much. Thank you all for being here and thank you for your service.

You have each spoken about the needs of the individual services. Is there a point sometimes at which your responsibility for the service, where your Title X responsibilities and the requirements of JNTC cross the line at some point? How has that worked out? And I guess maybe to Dr. Mayberry and General Nash particularly, but everybody can join in.

Dr. MAYBERRY. This is truly the essence of the situation—we need to train the way that we intend to fight, as everyone has said. If we were going to and we do always, there is no question of it, fight as a joint team, the issue then is how you back up from that and have forces that are prepared, trained, exercise educated in their joint responsibilities, building upon the unique capabilities of each individual service. And it sort of says, hey, you have got your core competencies down pat as well. The Joint National Training Capability is one where we tried to bring that sense of balance together and to make the core competency training and exercising truly taken to the next level by putting an appropriate level of joint context to that.

If each of the services were to just focus on their core competencies, it really would not be a robust training scenario. We all know that is not the way we fight. If that is not how we fight, how can we bring the jointness to this complex situation and allow that really to take each of the services to the next level. I think I will allow the services to sort of address this themselves. That is really the challenge. There is not but 24 hours in a day and 7 days in a week; and we already do a tremendous amount of training, both at a joint and service level. How do we go about seeking this sense of balance to be able to fight the way that we have trained, and that would be jointly.

Ms. DAVIS OF CALIFORNIA. Is there a particular place where that really does create the greatest challenge?

General NASH. If you look at U.S. Code, Title X, it very specifically gives the service chiefs or the Commandant, as you will, they have the requirements by law to organize, train and equip their specific service forces. When I was on the Marine staff, I used Title X a lot and I would always throw that around to the OSD guys, to the Joint guys, "But that is a Title X responsibility, get out of my business."

I am a Joint guy now so I read the rest of Title X. And there is equally or more responsibilities to the regional combatant commander. He has the serious responsibility of employing joint forces. He is the real warfighter. So getting right to your question, we must bring jointness down to the lowest appropriate level and sometimes maybe down to the lieutenant or captain. It can come to him, if you will, through a soda straw. He does not really care where the close air support comes from. He just wants close air support. But he has got to have the knowledge, the tactics, techniques and procedures to utilize close air support from another service.

Information is a good area or you could even call that intelligence. As a company commander, I did not care what national asset or where this information came from, but I needed to know



what was over the next ridge line. And if we maintain strict service-centric training, we will never get that. And on the low level, our young men and women will not know how to use the great assets that the joint team brings to the fight.

Thank you.

General WEBER. Just a quick comment, ma'am. What excites me, particularly with the Army, about the Joint National Training Capability Exercise, or event here, is the definition of standards that we can all plug into as services so that we do not have to build different architecture every time we need to exercise with other services or in a joint environment. We have our own simulation requirements, perhaps within the Army. That is okay. What we are trying to do is make sure that the systems we buy and we need to operate within the joint context are capable of plugging into a JFCOM or an OSD-defined standard for communications requirements and simulations requirements. That is what I particularly like about the JNTC aspects.

Do we have issues or difficulties in terms of funding and what the priorities might be? Well, I have not been in the job long enough to honestly say. But there is a form, as you heard General Nash elaborate on earlier, where we can bring those things to the table, we can work out the issues, and that is all good as well. We all have our own perspectives that we need to bring to the table. But in a joint context, in a joint environment, it is a collaborative process and there are systems in place for us to work through those issues.

Admiral HART. There is no doubt, ma'am, that there are core competencies that you have to be able to build first. The cook has got to be able to cook and an engineer has got to make the screws turn on a ship or we are not going any place and the rest is relatively immaterial. That is a very rudimentary level of training. In this day and age, I think everyone has been around long enough to watch it grow and mature, that the graduate level is at the joint level.

Oh, by the way, once you get there, all of the sudden it does not turn off building the core competencies within the service. Many of the things that we do that are in joint exercises are still capitalizing not only in the rudimentary core training but is reinforcing the core training at a much higher level; and, frankly, it is a level at which we are going to use it. We are not going to use it as a solo, single, parochial level that we may have thought as we had done in the past.

General SEIP. I have had the great opportunity to be with this group for almost two years now. I think there is consensus among all of us, to include OSD, Joint Forces Command into the services. The services do blocking and tackling real well, and those are our core competencies. And then when we are going to pick up the West Coast offense, so to speak, that is where it is important that now we can plug in the joint interoperability type of exercise and training. If you will accept the premise that we organize training to equip the services in order to support our combatant commanders who are supporting the regional combatant commanders out there, then I think you can minimize those types of lunch pail swinging type of discussions when it comes to Title X.

Dr. BAILEY. I concur with my general officer colleagues to the greatest extent possible. We have not graduated anybody for combat until they have had joint context.

Ms. DAVIS OF CALIFORNIA. As of when?

Dr. BAILEY. What I am saying is we have not succeeded in providing a combatant commander with combat ready units until they fully understand their joint context.

Ms. DAVIS OF CALIFORNIA. Thank you, I appreciate that. You mentioned the SOF earlier and the extent to which even in the exercises that have already been held, the extent to which they have been integrated into that. Has that been possible to do that, to provide that? I guess the situation in which they are really needed, that you would have to call upon them in one of our simulation exercises?

General NASH. Yes, ma'am. In the first event we had live Special Operations Forces operating actually at the southern California logistics area, former March Air Force Base, live forces. These are live service personnel conducting operations in a simulator. We had AC-130 gunships flown in a simulator from Herbert Field, Florida, but on the common operating picture it was 100 percent seamless. At our table normally we have a Special Operations rep on the general officer level, so they are a full participant in the Joint National Training Capability process; yes, ma'am.

Ms. DAVIS OF CALIFORNIA. Just really quickly, we have existing training areas, obviously Camp Pendleton, San Clemente Island, in the San Diego area. Are they integrated into this in all cases or are we generally sending people out of those basic training facilities and into other areas?

General NASH. The short answer is yes, ma'am, they are integrated and Camp Pendleton will be one of the terminals, or hubs if you will, for our communications architecture and persistent infrastructure. This first event, they were forces from Camp Pendleton participating; but in the future, it will be one of their locations around the country that will be a full participating location; yes, ma'am.

Ms. DAVIS OF CALIFORNIA. Thank you. One other thing that I am aware of in the community, there are a number of businesses that are actually working very hard in being supportive of the needs for simulation and I would hope that they would be considered, certainly when there are opportunities to really utilize their services.

General NASH. Yes, ma'am.

Mr. HEFLEY. Mr. Saxton.

Mr. SAXTON. You mentioned, I guess it was Mr. Bailey that mentioned SOF first; SOF personnel in this day and age I suppose, are generally trained over a long period of time to be able to survive in strange kinds of places and do strange kinds of things and deal with strange kinds of people. Has SOF been useful in providing personnel assets on the opposing force side, on the red force side?

General WEBER. Sir, I can speak for the Army, I guess, in this sense. Typically, those forces are so difficult to come by in the first place that we do not dedicate them to opposing force capability. We can introduce some other things. We have brought in some Marine force recon to work with at the National Training Center. We do it at JRTC as well. Typically, in all honesty, where the Army SOF



is concerned, those guys are hard to come by. They are committed across the world, as we know, and they are hard to come by.

Mr. SAXTON. But they do train with you on the blue side?

General WEBER. Habitually in the past it has not always been the case. We are better at it in the Joint Readiness Training Center at Fort Polk than at the the National Training Center (NTC) at Fort Irwin, but more and more we are building those things into the scenario because in Iraq and in every other operation they are part of the joint team. So we have to figure out from the conventional Army side how to work with these guys. It brings a different culture. But again, at what level do we introduce this joint operation concept working with special operations? I will tell you again during the last war the first time I stumbled across this, SOF guys were outside of Najaf, and we were using them to give us some updates on some intel inside of Najaf as the 2nd Brigade at the time had Najaf surrounded. So they were very useful. We knew they were there. And we knew what information we needed from the elements. But again, because of their commitments worldwide, it is difficult to really introduce the numbers of Special Operations ODA teams that you might need to do as well as you would like, but we do as best we can with it.

General NASH. Mr. Saxton, if I could add to that, please, sir.

A successful lessons noted that is actually being turned into a lesson learned was an integration of Special Operations Forces with conventional forces; and there a lot of vignettes, especially now that our lessons learned team has spoken with some of the Iraqi leadership of what they thought were conventional forces or were SOF forces and is a significant success story.

As I mentioned, the leadership from the U.S. Special Operations Command at McDill Air Force base in Tampa is a full participant in our Joint National Training Capability development and support process.

Mr. SAXTON. You are not saying something different. You are still saying there are not enough SOF units to incorporate into the Joint National Training process?

General NASH. We will use them to the best of our ability. Most are deployed somewhere in the world today, so to accommodate that they have helped us build the constructive part of this, the computer enhanced portion, to add SOF participation where it shows up on a common operating picture as if there are Special Operations Forces totally deployed. And the commander on the field has to deal with them. Are they live, air breathing soldiers, sailors, airmen in the field? No, sir. But it is transparent to that commander who has to make that decision.

Dr. MAYBERRY. The SOF community also is one of the major leaders in the advancement in the simulation fields. I think that their mission rehearsal capability is probably something that in the future we aspire, the Joint National Training Capability, to evolve towards; and that is that you actually would have an adaptive training capability, again pulling people together from literally around the world, to be able to prepare, train, own the flight as you are going in. So simulation, simulators are really one of the strengths of the Special Operations community.

Mr. SAXTON. Anybody else want to talk about SOF? What kind of bandwidth constraints, radio frequency and spectrum management issues did you encounter during the January exercise and how did your service handle these issues? Do you foresee these issues arising in the next NJTC exercises, and how will your service be better equipped to handle them? I read that just like my staff wrote it. How about that?

General NASH. If the services want to answer that first. If not, I will.

Admiral HART. Let me go ahead and at least address that a little bit, sir. From the January exercise from the Naval perspective, and as I mentioned earlier one of our toughest challenges obviously when we go to sea, we have no fiber-optic cable that we can depend on. It has all got to come through the ether. In the case of the January exercise, it was a ship pierside and so, in fact, he was plugged into the network.

Hopefully that is better. In our January exercise the one ship that participated was, in fact, pierside in San Diego. So he was able to plug into the network, so to speak, and simulate his own combat systems onboard the ship. So in that particular environment, which would be either constructive or in this case simulated, that was not an issue. At sea it is going to be a little bit different, but what we do then for the training piece is we augment the actual antenna configuration on the ships to allow them the extra bandwidth in order to accommodate the necessary downfeed and interchange that is required for the JNTC.

General SEIP. Mr. Saxton, probably at this time of day the last thing you want to hear from a fighter pilot with a degree in Latin American history is someone trying to talk about pipes and com. What I can do is take that for the record for the Air Force and we will get back to you with a detailed answer.

[The information referred to can be found in the Appendix beginning on page 428.]

Dr. BAILEY. Sir, from the Marines' perspective, we were prepared for dealing with frequency management. We were prepared to deal with some bandwidth that is used; and we took the JNTC exercises, an opportunity to greatly expand our ability to communicate from one side of our base to the other, basically using instrumentation as an excuse to roll out a more robust capability. That was a very good positive effect of the JNTC. What comes along with your question is the question of secure bandwidth. The Marine Corps traditionally runs an unclassified exercise at Twenty-Nine Palms, and the requirement to go secure to participate with our joint friends drove us to some fairly extreme measures and some expeditious use of fencing and guards. We got through it, but it is definitely a culture change for the Marine Corps.

General NASH. Unfortunately, sir, they did not answer the question. The Joint National Training Capability will really depend on a persistent high bandwidth network. There are two challenges as we establish this persistent architecture. One, as Dr. Bailey mentioned, was network security and the second is development of a common architecture. We are working hand in hand with the Defense Information Systems Agency as the Global Information Greater Bandwidth Enhancement Program is developed. And what



it will really depend on is building a program that is built on the GIGBE, the Global Information Greater Bandwidth Enhancement, to establish persistent architecture, permanent architecture, through a significant number of training locations within the continental United States and then be able to build a web from those particular locations. That takes care of the issue within the continental United States. But again, remember when we want to train overseas with NATO, with coalitions that are coalitions of opportunity, we have got to be able to export this worldwide and; therefore, we are working hand in hand with the Defense Information Systems Agency to make that a reality.

But I did not answer your question on January. I apologize. Through lease networks and one time usage, we accomplished the task. But that is not the desired answer.

Mr. SAXTON. So it sounds like we have a long way to go?

General NASH. We have a way to go and with the committee's continued support, we are confident that we can make that happen.

Mr. SAXTON. I am aware of a book that has been written called *Transformation Under Fire*. It is written by an Army Colonel, Doug MacGregor, and he makes the point one of you talked about; it was Mr. Bailey who talked about the new technique of—

Dr. BAILEY. Closed air support, sir.

Mr. SAXTON. Closed air support. And that is the kind of thing that you develop because you need something real bad and you figure out a new way to do it, and that is transformation under fire. Do you see the same kind of initiative in the JNTC process? Does it bring about that kind of change in this training process that we are involved in?

Dr. MAYBERRY. Let me say that training is mnemonic of JNTC may be somewhat misleading. We need to really capitalize on the benefit and the value of a Joint National Training Capability much further beyond just the training. We must get into areas of experimentation, concept development. JNTC in that sense really must be a sandbox. We have got a tremendous amount of very complex joint problems that we face as a department in the area of information operations, joint urban operations, coalitional partners, inter-agency, intergovernmental homeland security problems. How do we go about real concept development for this? It is one thing to get a lot of smart people in the room and come up with the TTP, the tactics, techniques and procedures here, but then you need a device really to go out, test and understand and put them in a stressful environment. The same types of pillars that have been discussed here in terms of realistic training, opposing forces, instrumentation, and feedback really are the same concepts that we need to apply to the experimentation world. I think that under Joint Forces Command and their charter, not only for transformation, training and experimentation, this is really where this will have to come together.

Mr. SAXTON. Okay, thank you very much.

Mr. HEFLEY. Mrs. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman.

And perhaps just to follow up with what you were saying, I think part of our question and our issue obviously comes to the bottom line, to the resources, what you have and what you can do with it.

There has been some concern about the R&D budget and whether or not that would impact what you do or not. I do not know. Some of this is in basic research, but I am wondering whether there is an issue around that in terms of the availability of resources to do additional experimentation?

And the other question would be I think to Admiral Hart, and tell me, sir, perhaps I read too much into this, but you had mentioned the representation of the intelligence community as another area where JNTC and all of their simulation services may need further investment. Where I am questioning is, is that an area that you all struggle with a little bit more in terms of getting their involvement or support or trying to help where people are fearful of crossing certain lines and what is available to you?

Dr. Mayberry.

Dr. MAYBERRY. In terms of resource issues, I think that we have dollars in three flavors here and the preponderance of them will be in operations and maintenance side where we really are executing much of the training requirements of the combatant commanders. There will be some procurement requirements that we have budgeted for to get at the instrumentation and communication aspects. We have got some challenges there to make sure that those are interoperable as we go forward, that standards have been set to which these procurements would allow the services to really press forward on.

In the R&D realm, I think that we are conducting a training capabilities analysis of alternatives right now and it is really focused on how we bring modelling and simulation in a joint frame work, as we said earlier. Each of the services have their respective Title X service models to move forward. I think that we as a department are conducting this analysis of alternatives now for future training capabilities and that we are going to have to continue to research that as we go forward. That report is due in the April time frame to be able to be included in the Department's Program Objective Memorandum (POM) development programming cycle to be able to address these specific needs.

Admiral HART. Mrs. Davis, I apologize, I do not think it was I that raised the intelligence issue. That is a word they do not let me speak very often, by the way. It may have been one of my conferees at the table, but I do not think it was one that I raised. I am sorry.

Mr. HEFLEY. Mr. Larsen.

Mr. LARSEN OF WASHINGTON. Mr. Chairman, in my last set of questions I think it was either Mr. Berry or General Nash used the term with regards to the January training event that it was pulled back, that is something was pulled back, you were putting down communication, putting down wire, but we had to lease it and it was pulled back. Could you please explain that, what that means?

Dr. MAYBERRY. The original plans that we had for the January event were, in fact, based upon resources that we did not completely have at the time of the January event. The original requirement for that was the full amount would have put some degree of permanence to the types of communications and connectivity across the sites.

Mr. LARSEN OF WASHINGTON. Let me ask an obvious question. Why was it pulled back? Why were the resources not there for a training exercise that seems to be the foundation of the military's future?

Dr. MAYBERRY. We took a mark from the appropriators in terms of whether the question of could these funds be executed in this fiscal year. We went over and made our case, and I must not have been persuasive enough at that time.

Mr. LARSEN OF WASHINGTON. Okay. All right. The budget that is proposed this year is \$227 million and then 140 of that is for JFCOM. Is that right? There is \$227 million for training transformation with 140 million for JFCOM? Do I have that right?

Dr. MAYBERRY. That sounds in the ballpark.

Mr. LARSEN OF WASHINGTON. How is that money going to be used? And I want to ask that question more specifically. You said that you were looking at developing the permanent architecture, the permanent network. Is that money going to be going into building the network and the architecture this year?

Dr. MAYBERRY. Before General Nash jumps in on this one, let me say that about \$225 million have been focused on training transformation. The Joint National Training Capability portion of that is about \$190 million.

Mr. LARSEN OF WASHINGTON. How much?

Dr. MAYBERRY. About \$190 million. Those dollars then sort of come in three flavors: Funds that go directly to JFCOM and its joint management responsibilities, funds that go directly to the services to be able to have their requirements of a Joint National Training Capability event supported, and then there are funds that also go to JFCOM that are pushed through to the services to address many of the gaps and seams that would not be a service responsibility. But I will let General Nash talk about how those funds are then divided into permanent architectures and communications.

Mr. LARSEN OF WASHINGTON. That would be great. Thank you.

General NASH. The services were funded no monies to participate in a Joint National Training Capability.

Mr. LARSEN OF WASHINGTON. No money directly to the services?

General NASH. Correct, sir, other than what originally Dr. Mayberry mentioned. So first, these funds are being spent to build a foundation, the persistent architecture. Second, it is to incentivize, if you will, the service participation, to pay for joint capabilities that they would not normally have in an exercise off San Diego. It might be Navy only, a brigade rotation at the National Training Center, an air warrior, which, although that supports the brigade rotation at the National Training Center, at the Joint Readiness Training Center, it does not bring the full joint involvement. It brings jointness to Twenty-Nine Palms at the Marine Corps Air-Ground Combat Training Center.

In fact, the real expenditure is first to establish the architecture that will be able to be used in the outyears. But it is an expense to bring jointness into an exercise, and that is one of the real values for, I would say, where I work at the Joint Warfighting Center and the Joint Management Office, sir.



Mr. LARSEN OF WASHINGTON. Next year at this time do you expect to come back to us and say that we are 50 percent done with the network and architecture itself or 75 percent or so on? What kind of time line is involved there?

General NASH. Sir, we will meet the initial operational capability in October 2004, this year. That really just meant to conduct four exercises on the various levels that we had described. The goal is to establish the beginnings of the persistent or permanent architecture. Every day we grow more, every day we build our team; and I hope we get invited back next year to tell you about the continued success. First of all, this will mean this is not a one-time event, a fad if you will, and then show you the road ahead to reach full operational capability in 2009.

Mr. LARSEN OF WASHINGTON. If I may, why is there money proposed in the budget to incentivize, I guess, to pull the services into the involvement as opposed to just being directed to do it? This is the way that we are going to run the military and the way it is going to be run in the future, joint operations; you should be doing this. Why is some of the JFCOM money being used to pull the service in rather than being encouraged strongly to participate?

Dr. MAYBERRY. We could certainly encourage them strongly, and we have in the past in other areas. I think that the issue here is it goes back to Title X responsibilities and service responsibilities. And if, in fact, we are going to bring everybody to this neutral distributed field, what is the benefit of threat emitters at a ground location, and who would pay for them? We get into some very interesting discussions over that, sir; and it is because of the criticality of the joint context that needs to be provided that, in fact, we have had these types of funds to address those gaps and seams between the services.

Dr. BAILEY. I was going to say, sir, we are pulled in. POM-06 is our first flexibility to accommodate a JNTC capability, and the Marine Corps being notoriously uninstrumented, saw a crisis and we were responding directly by building what we call a range investment strategy that will accommodate JNTC capability at Twenty-Nine Palms and all of our major bases, including Camp Pendleton, as early as POM-06, which means we wish for it in 2004. We see it starting to happen in 2006; and we feel it is sometime soon after that, sir. But we as a service are committed.

Mr. LARSEN OF WASHINGTON. General Nash.

General NASH. Sir, I was just going to build on the other statements. The services still need their core competency training time and then when they reach the 100 level or 200 level, to put it in in academic terms, we bring them into the joint environment where they fully participate. They are currently not funded to go beyond their core competencies.

General WEBER. Let me elaborate. Every NDC-JRTC rotation we are jointed with the Air Force. Habitually we train with them. We are hit or miss on Special Operations at the NTC, CMTC perhaps. Typically, that is always a JRTC event. So when we bring in a Joint National Training Capability event, that is sort of an add-on to what we would normally be doing. So typically that is where the JNTC money will come to the service to help pay for that add-on



cost that was not forecasted for, was not planned for, and certainly not programmed for.

Admiral HART. You mention a good point, and it came up a moment earlier on. In fact, Title X is, of course, our predominant description in the catalog of responsibilities; but nevertheless when we go into a major exercise, it is primarily a service exercise. Witness the June event coming up, which is primarily NAVAL as it is a combined joint task force exercise; but it plays directly into and it will be the backbone of a key JNTC event. I think it will be a little bit misleading to imply that there is a firewall between the funding between Title X responsibility training and something that is joint. Many, many times there is a lot of bleed-over there; and I think that is a good example of where that occurs.

Mr. HEFLEY. Mr. Saxton.

Mr. SAXTON. I have just one final question, Mr. Chairman, and I would like to frame it this way so you know why I am asking.

The week before last we had a budget proposal which would have taken the top line of our military defense budget of \$401.7 billion, taken a slice off the top; and 33 members of this committee wrote a letter to the Republican leadership and said if you do that, we are not going to vote for the budget. And after lots and lots of words exchanged, an arrangement was made where they restored what they were going to take off the top; but in exchange, we agreed that we would find \$2 billion worth of waste, whatever that is. So we have to reach into something and find some waste and then we are going to plug that money back in some place into the defense budget. So we need your help to know what is important to you. When I asked Admiral Giambastiani last week, he said just don't cut us. I said, well, I understand that. And likely because you are a new and important program or a relatively new and important program, we probably will not.

The other question is, what is it you need that you do not have that gets you to the capability level you want to be at in 2009?

Dr. MAYBERRY. Well, what do you need that you do not have? Sir, I think that what is required to really be at this graduate level of Joint National Training Capability is that the services have to bring a range infrastructure to the party. And that is, as you have seen, the Marine Corps really has made some tremendous advancements and commitments to how they are going to go about not only their range infrastructure but the instrumentation to that as well.

That is probably one of the greatest challenges as we go forward, as we try to really push the envelope in terms of training capabilities with joint national focus, is to make sure that the range and training infrastructure is able to come along with that. That is a great challenge as we go forward to make sure that everyone can bring the respective not only blocking and tacklings, but contributions to this joint event.

Mr. SAXTON. You are talking about physical things that you need to build infrastructure, is that right?

Dr. MAYBERRY. I am talking about threat emitters. I am talking about instrumentation that allows scoring for force-on-force types of exercises. Many of these capabilities are getting somewhat very dated and to the end of their lives within the services.

Mr. SAXTON. Would it be possible for you to have somebody work with our staff to identify the line items that need to be enhanced in order for us to help you with that?

Dr. MAYBERRY. Yes, sir. I will do that.

Mr. SAXTON. Okay. Anybody else? That is what I thought. I was not sure.

General NASH. Sir, my boss said do not cut it. My boss, Admiral Giambastiani, said do not cut it, and I guess that is our story and I guess I better stick with this.

Mr. SAXTON. We think what you are doing, I think what you are doing, and I am sure I speak for the remaining Members here, think what you are doing is extremely important. We saw joint warfighting exercises in both Iraq and Afghanistan, and prior to that too. We now understand from a Congressional perspective how important that is and how much more capable our forces are after being trained to fight in this joint manner. And we have been convinced as well by the military leadership, particularly the Secretary of Defense and others, General Shoomaker and others, about how important this is and, therefore, how important your job is. So we want to do whatever we can to be helpful to you.

Thank you.

Mr. HEFLEY. Thank you very much. The hearing turned out to be a whole lot better than it started out. We have taken more of your day than normally we would. We really appreciate it and appreciate you being here.

Have any of you read the book *Pentagon* by, I think, Allen Drury? Well, since Jim gave a book review, I will too. I think you would find it fun because of the area you are working in because it is an inspiration for the need for jointness because it talks about an operation in the South Pacific where we are going to invade this little island, and so forth, where the Russians are doing something, and trying to put together all the services to do that in the Pentagon and how very difficult that is to do back in the day when he wrote the book. I suspect he was not too far off the mark. It sounds to me like you have come a long way from those days. But for history, you might enjoy reading that.

If there are no further questions, then the committee stands adjourned, with our thanks.

[Whereupon, at 4:25 p.m., the joint subcommittee was adjourned.]

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# **A P P E N D I X**

MARCH 18, 2004

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 18, 2004

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NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
HOUSE ARMED SERVICES  
COMMITTEE

STATEMENT OF  
REAR ADMIRAL DAVID T. HART JR., U.S. NAVY  
DIRECTOR, FLEET READINESS DIVISION  
BEFORE THE  
SUBCOMMITTEE ON READINESS  
AND THE  
SUBCOMMITTEE ON TERRORISM, UNCONVENTIONAL  
THREATS, AND CAPABILITIES  
OF THE  
HOUSE ARMED SERVICES COMMITTEE

MARCH 18, 2004

### Introductory remarks

Chairman Hefley, Chairman Saxton, and distinguished members of these subcommittees, I truly appreciate the opportunity to present you with an update of Navy participation in the Joint National Training Capability (JNTC) development effort. The Navy is fully engaged in this important transformation of training designed to merge the training and operational environments across the Services. At the same time as we work toward goals of overall training transformation, we must also preserve our existing high standards of core-skills training, and apply these skills to build joint capabilities across the Department of Defense.

The Navy works closely with the U.S. Joint Forces Command JNTC Joint Management Office in development and implementation of the Joint National Training Capability. As one of three capabilities identified in the Department of Defense's training transformation plan, this effort broadens and deepens the reach of joint force training. The Navy is also engaged in the other DoD transformation of training initiatives -- the Joint Knowledge Development and Distribution Capability, led by the Joint Staff training office, and the Joint Assessment and Enabling Capability, led by the Office of the Assistant Secretary of Defense for Personnel and Readiness. As the first focus of our transformation efforts, the JNTC promises an enhanced way to train that offers joint forces and the Services a potential spectrum of live, virtual, and constructive (LVC) training environments.

- **Live** = real people in real locations using real equipment
- **Virtual Simulation** = real people in simulators
- **Constructive Simulation** = simulated entities in a simulated environment

This training transformation creates joint warfighting conditions through a networked collection of interoperable training sites and nodes that synthesize personnel, doctrine, and technology to achieve both combatant commander and service training requirements. Providing realistic combat training, offering an adaptive and credible opposing force, establishing common ground truth, and giving high quality feedback, are the founding



pillars of this capability. As a result of this enhanced training environment, participants will have a global, network-centric capability that strengthens military transformation efforts to promote war fighter effectiveness.

The LVC environment melds existing operational and strategic facets of exercises with live forces, creating a more robust and realistic experience. JNTC will create an environment where every level of training is orchestrated within a joint context to provide the highest level of training for seamless future military operations. Events will target the following levels of execution:

- Horizontal: Service-to-Service training to improve interoperability and joint operation issues
- Vertical: strategic to tactical components joint training to improve vertical command integration
- Integration: enhanced existing joint exercises to address joint interoperability training in a joint context
- Functional: dedicated joint training environment to train to specific warfighting capabilities and complex joint tasks

The long-term mission of this initiative is to incorporate Service branches, interagency, and multinational coalition partners. By 2009, the goal is to have the capability to train any audience -- unified commands, Services, multinational, and interagency -- in the full joint warfighting context. The persistent network will focus on joint training, experimentation, testing, education, and mission rehearsal, by linking command and control, training facilities, ranges, and simulation centers throughout the world.

### **Navy JNTC Requirements**

In keeping with Department of Defense Training Transformation guidance, the Navy is developing requirements for the increased use of modeling and simulation for training, with needs for an integrated synthetic environment capable of connecting geographically

dispersed training audiences at sea, ashore, and in the air. Historically, Navy training has used different architectures, connectivity, modeling, and simulation systems for each event and exercise, which represents a repetitive and expensive, time-consuming process. In a major effort to rectify these problems and greatly improve training and cost efficiencies, the Chief of Naval Operations has directed the establishment of Task Force SIM, as the single unified voice for Fleet simulation requirements. It will study alternate acquisition strategies and use of simulation, stimulators and simulators to enhance training and efficiency, and replace outdated training systems. The goal of the task force is to ensure that the Fleet receives enhanced realistic training using simulation throughout the training cycle within a standardized architecture. Task Force SIM will focus on the following areas that directly support our participating in the Joint National Training Capability:

- Strike group training
- Multi-platform, mission-linked flight training
- Integrated internal ship training in operations and engineering
- Defining integrated training architectures
- Implementing comprehensive program management
- Aligning acquisition to support Fleet Response Plan and joint requirements

Joint training opportunities exist from the small unit, tactical level through large staffs at the operational and strategic levels, but are largely unknown among the Services due to lack of visibility into training schedules, practices, and requirements/desires for participation.

A collaborative scheduling mechanism that informs and enables joint training at all levels would greatly increase opportunities for individual units to coordinate Service specific events into joint events. Navy views creation of such a tool an important step in achieving the JNTC vision.

### **Navy Participation in JNTC Development**

The Navy has been involved in JNTC development from its inception. As a historically joint Service with the Marine Corps, we truly realize the force multiplying results through leveraging capabilities across Service lines. The ongoing transformation of naval forces seeks to dramatically expand the advantage that America's global maritime dominance offers our joint force commanders, by assuring them theater access and a secure and sovereign base from which to mount devastatingly effective offensive and defensive operations. The emerging transformational capabilities reflect the creation of innovative operational and training concepts that will harness advanced technologies as well as changes across doctrine, organization, training, materiel, leader development, personnel, and facilities to perform critical missions and tasks.

In support of JNTC development, and to achieve improved oversight and advocacy for range capabilities and sustainment, Navy has established the Navy Range Office, a single entity responsible for all range policy, resourcing, and management oversight. The Navy Range Office is managed within my Division.

### **Navy Efforts in Live, Virtual, Constructive (LVC) Environment**

The Navy's Continuous Training Environment (NCTE), in conjunction with the Joint National Training Capability, will provide the capabilities to conduct training on demand, saving time, manpower and additional costs by providing a persistent network that connects geographically dispersed training simulators and systems with geographically dispersed forces.

NCTE will:

- Consist of Modeling and Simulation (M&S), federations, software, tactical training ranges, infrastructure, and forces joined in a common network for training events, with a management and scheduling office providing central control of the Services on the network.

- Meet required capabilities through the use of Test and Training Enabling Architecture standards that set data definition and transmission requirements for diverse, Service and joint-specific training, and operational systems and ranges as well as to joint systems.
- Serve as the Navy's common portal for connecting to individual Services' training networks, M&S systems, and forces.
- Ensure new training systems adhere to defined standards.
- Update legacy systems to meet the new standards.
- Provide independent communications to support simulation and control functions, with consideration for disadvantaged communication users where this impacts them; i.e., ships at sea.
- Ensure integration of tactical communications and the standards to support.
- Control Services' infrastructure standards among Services and common C4I interface standards.

The focus of Training Transformation is on using modeling and simulation to complement and enhance constrained live training time with virtual training events conducted in a synthetic battle space. Persistent networking of Service training capabilities will provide a continuous virtual environment for training forces at all levels in LVC environment (single unit through Joint Task Force) in multi-warfare mission areas and meet the Combatant Commanders' tactical and strategic requirements.

To this effect, NTCE will:

- Support the Fleet Response Plan for providing qualified and certified surge forces, capable of sustaining readiness levels in support of Combatant Commanders' requirements. The synthetic battle space provides the capability for rapid refresher training and re-qualification of joint task forces.
- Support the Fleet Training Strategy as a single model for training, whether on the east coast, west coast, or for forward deployed forces that use virtual training capabilities to implement the training and surge force requirements.



- Provide training validation of joint and Fleet requirements found in Joint and Navy Mission Essential Task Lists .
- Assist in the development of simulation systems to support Fleet training, qualifications and mission rehearsal requirements that are fundamental to sustaining legitimate operational readiness.

Last year the Navy adopted the Defense Advanced Research Projects Agency-developed and U.S. Joint Forces Command-sponsored Joint Semi-Automated Forces (JSAF) simulation as the core simulation for its training architecture. JSAF has been used for over five years by the Navy Warfare Development Command in developing war fighting environments in the Navy's experimentation program. JSAF was designed from the beginning to support the LVC environment, and its modular simulation architecture allows efficient and effective changes to its representations. Programmatically it is now a product of the Naval Sea Systems Command Integrated Warfare Systems Directorate, which also develops the Navy's Battle Force Tactical Training shipboard-based stimulation system.

JSAF also integrates the Ocean and Atmospheric Services Environmental Simulation (OASES) that provides a coupled ocean atmospheric model needed to create a realistic environment for simulated objects to interact in concert with physical kinetics and sensor performance. This function is required to effectively support the integration of LVC; and without the capability, a fair fight within the LVC environment cannot exist. OASES was developed in a cooperative program sponsored by the Defense Modeling and Simulation Office, the Navy Warfare Development Command, the Naval Research Laboratory, and the Navy's Oceanographer. The important area of Anti-Submarine Warfare cannot be effectively represented without an adequately represented, atmospheric-ocean coupled environment.

The Navy has just completed the successful execution of the first Multi-Battle Group Inport Exercise (MBGIE). Three Carrier Strike Groups, geographically distributed in three Fleet concentration areas, participated in a common geographical exercise from

inport. The USS JOHN C. STENNIS Strike Group in San Diego, USS CARL VINSON Strike Group in the Pacific Northwest ports of Bremerton and Everett, and USS HARRY S. TRUMAN Strike Group in Norfolk participated in a large Battle Force exercise with Commander, Third Fleet, acting and training in the role of a Joint Force Maritime Component Commander. The scenario was generated by the JSAF simulation system distributed and federated among Tactical Training Group Pacific, Pt. Loma, California; Tactical Training Group Atlantic, Dam Neck, Virginia; and the Navy Warfare Development Command, Newport, Rhode Island, on commonly configured and configuration controlled simulation systems. The scenario was distributed to the ships of the strike groups and into their onboard Battle Force Tactical Training systems. Each ship generated its own component of the Common Operational Picture from its organic sensor systems while JSAF, interfaced to C4I systems, created the additional inorganic strike group inputs and injects. A professional staff of trainers provided control of the exercise situation and additional injects into the scenario.

The communications required to execute the MBGIE were developed based upon lessons learned from the Millennium Challenge 02 Exercise and Fleet Battle Experiments. The Defense Research Engineering Network served to provide connectivity among Pt. Loma, Dam Neck, and Newport and associated high speed Asynchronous Transfer Mode communications equipment was configured and permanently installed. The communications supported the simulation federation, an exercise control network and services, and geographically distributed services required to effectively “transport” the three Strike Groups into a common geographical virtual battle space. These services included emulation and transport of voice and data communications systems such as line of sight radios and theater satellite communications systems. Long haul Link 16 over IP standards were selected and used as well. The standards used by the Navy are purposely selected to support both the future similar MBGIE training environments at sea and the direction JNTC is developing. Joint standards for these communications are required. The work invested into the February 2004 MBGIE event will serve to better integrate Navy forces into future JNTC events.

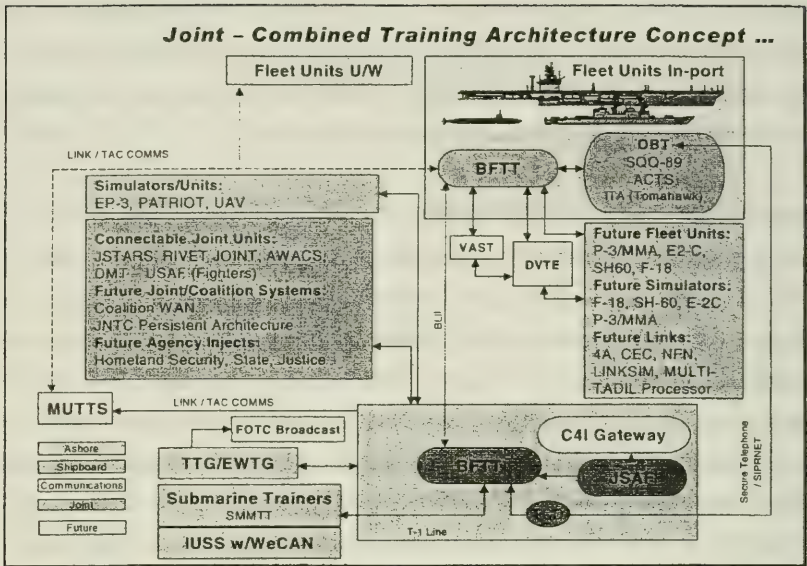
All of the above steps are aligned with the concept of JNTC. The Navy is interested in setting standards for long haul communications, voice transport, simulation federation interfaces, and environmental services. Integration of these services across the Military Services and joint forces is mandatory to reach JNTC goals.

Another key in merging Navy training and operational capabilities is FORCEnet. FORCEnet will emerge as the next generation of Network Centric Warfare. It will provide the architecture and building blocks that integrate sensors, networks, decision aids, weapons, warriors, and supporting systems into a high adaptive human-centric, comprehensive system that operates from seabed to space and from sea to land. It will support well-informed, geographically dispersed forces in their execution of missions across the entire range of military operations, and is focused on accelerating the speed and accuracy of assessment, decision, and action at every level of command. Leveraging profoundly improved situational awareness and understanding of the adversary, we will shape and control the information environment to dissuade, deter, or decisively defeat any enemy.

#### **Coordination of Navy LVC Efforts With JNTC LVC Architecture**

JNTC joint services and representations can be divided into two distinct areas. The first is the intersection of Service warfighting capabilities. These representations and the integration of LVC environments can be accomplished by the Services engineering solutions among one another. A prioritization of these services and efforts is required. The second area of joint representation includes those capabilities and functions that are inherently joint in nature and the result of joint commands. These services and representation need to be specified and prioritized by Joint Forces Command. Whether they are designed and built under management of Joint Forces Command or one of the Services is less important than specification and prioritization.

The following diagram illustrates the complex links supporting Navy JNTC interaction:



Representation of the Intelligence Community is another area where JNTC and all other simulation services may need further investment. The responsibility for providing intelligence representation is often confused by the complicated nature of intelligence organizations and relationships and the classification constraints. Multi-level security capability and multi-security level technology are required to include coalition training in this environment. This is an issue not isolated to the training community, but certainly impacts all training concerns.

### Value Added of JNTC

The Navy's Fleet Response Plan requires the capability to train Strike Groups in geographically distributed Fleet concentration areas. The infrastructure of JNTC can and will support this requirement. Addition of joint forces to Navy training events will enhance our overall effectiveness in achieving our goal of training as we fight. A concerted and collaborative joint effort is essential to create JNTC in a way that supports all of the Service needs and joint needs.

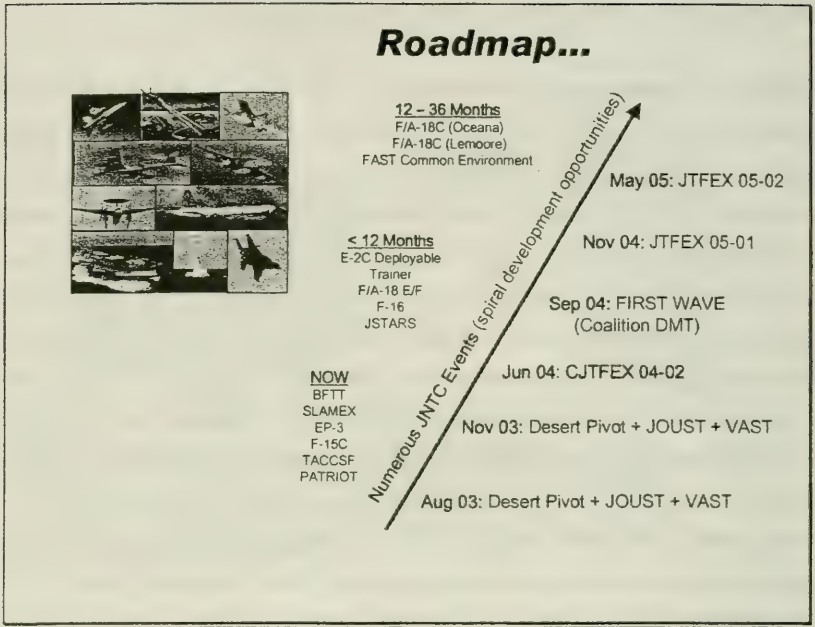


### **Navy Participation in Horizontal Training Exercise, January 2004.**

The Western Range Complex JNTC Horizontal Training Exercise 03/01 was the first full tactical exercise of joint close air support to be conducted with an enhanced joint context, assessed to defined conditions and measures. It was also the first full integration of live, virtual and constructive simulations based on improvements to capabilities demonstrated in Exercise Millennium Challenge 02. In a significant improvement to previous events, the Horizontal Training Exercise incorporated an adaptive and credible opposing force, fully integrated asymmetric forces including fixed and rotary wing threats, unmanned aerial vehicles, threat emitters, threat targets and decoys, in addition to existing live red forces. While Navy participation in this event was limited, it included elements across the LVC environment. Two Navy Guided Missile Destroyers, USS PREBLE and USS HOPPER, participated from Naval Station San Diego, via a Battle Force Tactical Training event and integrated through the Inport Training Architecture described above. This event also included a Sea Launched Land Attack Missile Exercise (SLAMEX). Additionally, the Navy provided an E-2 C Hawkeye flying live from Pt Mugu, an EP-3 MAST (Mission Avionics System Trainer) from NAS Fallon, and live F/A 18's from Nellis Air Force Base. Aircraft were integrated through range tracking and Link 16 live networks. Tactical Training Group Pacific served as the primary Fleet concentration node in providing services to the event.

### **Where We're Headed**

The Navy plans to aggressively incorporate many of our previously scheduled events into a joint context, using the JNTC architecture, as noted in the following roadmap. Other JNTC exercises planned for 2004 include a June integration event, Combined Joint Task Force Exercise 04-2 (CJTFX 04-2), and another horizontal experiment, Joint National Training Command-Joint Readiness Training Center, in August.



It is important from a Service perspective to build our JNTC participation upon existing Service training and the existing Chairman's Exercise Program. We must retain the training that builds individual Service core capabilities while improving the joint context of training, in order to maintain the operational tempo levels important to the well-being of our Sailors and their families.

### Conclusion

I would like again to thank the members of these subcommittees for all you have done for our Navy. We are committed to establishing the environment, culture, and processes required to generate and sustain transformation training, thinking, and action. Co-evolving the emerging technologies and innovative training and operational concepts provided by JNTC, while allowing organizational relationships to exploit them, will allow us to develop new dimensions of military capability.

**STATEMENT BY**

**DR PAUL W. MAYBERRY**

**DEPUTY UNDER SECRETARY OF DEFENSE (READINESS)**

**BEFORE THE**

**JOINT READINESS AND TERRORISM, UNCONVENTIONAL THREATS AND  
CAPABILITIES SUBCOMMITTEES**

**ARMED SERVICES COMMITTEE**

**UNITED STATES HOUSE OF REPRESENTATIVES**

**ON THE JOINT NATIONAL TRAINING CENTER (JNTC)**

**FIRST SESSION, 108<sup>TH</sup> CONGRESS**

**MARCH 18TH, 2004**

**NOT FOR PUBLICATION  
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UNITED STATES HOUSE OF REPRESENTATIVES**

Mr. Chairman, members of the Committee, I am pleased to be here to discuss the progress in our transformation efforts to better enable joint operations in the Department of Defense and to specifically address your interest in the development of a Joint National Training Capability (JNTC). We welcome your counsel, oversight, direction, and support.

Earlier this month the Deputy Secretary of Defense addressed an assembly at the Heritage Foundation gathered to assess the status of Defense Transformation. He discussed our ability to implement transformational initiatives from both an organizational and a cultural perspective and to assess our ability to resource such programs.

The Deputy Secretary of Defense credited the Congress with the creation of a great example of transformation—the Goldwater-Nichols Act of 1987—that helped to transform the department’s approach to “jointness.” Dr. Wolfowitz remembers when “I came in as Under Secretary under Secretary Cheney it was a rather new innovation. The full impact of it really could just barely be glimpsed. We’ve seen it dramatically, though, in the course of the last two years of war when jointness, combined with new technologies and networking technologies, has been able to allow us to combine forces widely disparate geographically...something that I don’t think could have been contemplated when Goldwater-Nichols was enacted, but something that would not have probably been possible without that landmark legislation.”

Secretary Rumsfeld has said, “The wars and the conflicts of the 21st century will not be fought by individual services. Rather, they will be fought by joint forces, and more often than not, by combined forces. Therefore, we will have to think, train, and



exercise jointly and combined, because let there be no doubt, that is the way that we will fight.”

This basic principle of “training as we intend to fight,” sounds simple – and it is a great bumper sticker – but this is exceedingly difficult. I would like to discuss how we are seeking to overcome these difficulties.

We continue to be a nation at war and because of our success some have questioned our need to transform our approach to training. In fact, it is the imperative and conditions of war that demand that we transform training. In many cases, joint operations have far exceeded our training capability to prepare our forces – individuals, units, and staffs – for the complexities of their joint responsibilities.

A company commander noted to a senior DoD official during a recent Joint National Training Capability event “the only time that I get to fight jointly was in the war, that was the only time that we got to use all the toys.” But training transformation must be more than simply getting to use all the toys. The ultimate challenge is to blend the training environment and the operational environment so that we no longer think in terms of independent training, but rather focus on our ability to prepare our forces under dynamic and adaptive conditions that ultimately focus on mission rehearsal and true joint performance enhancement.

In our security environment today, the Armed Forces must be responsible for the full spectrum of military operations – ranging from the extremes of major combat operations to humanitarian assistance – and in some cases, combining these extremes even in the same deployment. Today’s world is complex, filled with uncertainty and surprise. We no longer fight against known enemies with standing armies, but often-

faceless networks of terrorists. These adversaries fight asymmetrically, focused on exploiting our weaknesses, and are agile enough to change tactics rapidly based on our responses.

In many cases, we will not be fighting wars at all but our national leadership may determine that our military capabilities would be beneficially employed in humanitarian missions, training foreign militaries, or collecting valuable intelligence.

Today's training must train commanders and staffs in the strategic and operational levels of war, as well as the tactical. It must train the force, from top to bottom, to adapt while en route. Education, individual and collective skills training, and force integration, we believe must be delivered on demand, rather than according to a predetermined schedule, to prepare our forces to be everything from a war fighter to a diplomat.

The fundamental question then is how do we prepare our forces to be successful under such arduous conditions, against known and unknown threats, operating often in non-traditional environments, and employing tactics that morph daily? How do we seek to do this?

Secretary Rumsfeld published his training transformation vision back in March 2002. The cornerstone of this vision was that it be capabilities based. We cannot prepare for everything; we cannot do it all. We must have fundamental training systems and processes in place, but these structures must be sufficiently dynamic and responsive to changing, emerging, and ambiguous "requirements;" able to deliver prepared forces anywhere at anytime. This is a revolutionary shift in thinking, from emphasizing structured learning environments to knowledge development, that is ultimately generated from an approach that is oriented around mission rehearsals.

Second, to be successful in an environment of uncertainty and surprise, we must emphasize education, as well as training – therefore, the attention to transformation of training is incomplete and a misnomer, if equal attention is not devoted to education. Education focuses on leader development and it is through such development that the true ability to operate in uncertain environments will be achieved.

Third, training capabilities must address the full, enhanced nature of jointness. This extends beyond the traditional military definition of joint and the four Services. This includes training and education to plan and deal in the interagency world, to work intergovernmental homeland security issues with local and first responders, and to be interoperable with our multinational partners in coalitions.

The vision is supported by three overarching goals creating new joint capabilities:

- Joint Knowledge Development and Distribution Capability to prepare forces individually. This capability must be worldwide, deployable and able to address the life-long learning needs of the total force – both active and Reserve components.
- Joint National Training Capability to prepare forces collectively. We do not always need to move people around, too often they serve as expensive training aids for higher staff level training needs. Rather, we must build a robust live, virtual, and constructive training and mission rehearsal environment that in fact will provide an appropriate joint context to conduct training at the tactical, as well as operational levels of war.
- Joint Assessment and Enabling Capability: we need to focus on measurement and enabling success. What is the return on our investment,

have we truly been transformational, and the ultimate question – what difference does it make from a joint performance perspective?

Today's hearing is focused on the Joint National Training Capability, but JNTC is part of the Department's broader Training Transformation initiative that addresses the synergy between these collective joint capabilities.

The Services are world-class trainers – bar none. Our military is successful because we train more often, to higher standards, and under realistic combat conditions. The first training transformation occurred in the late 70s with the establishment of the Service major training centers and range complexes. We seek to affect a second training transformation based on the successful principles of the Services' earlier training revolution: realistic joint training, against thinking and credible opposing forces, with appropriate instrumentation to establish ground truth, and a process for identifying and correcting weaknesses and exporting lessons.

The JNTC seeks to leverage the excellence of Services' Major Training Centers, our test ranges, models and simulations, and training capabilities embedded in defense systems. JNTC focuses on both horizontal training (unit-unit) and vertical (HQ-HQ or HQ-unit) training in an appropriate joint context according to joint doctrine and tactics, techniques and procedures. The training environment incorporates live training augmented with simulators and constructive forces – a robust live, virtual, and constructive joint training environment. The training would use the same C4ISR architecture that is used in operations – train as we intend to fight. Realistic combat training should not be rooted only in the major training centers and range complexes, but be able to deploy to international training locations as well.



A dedicated OPFOR requires multidimensional and peer-level capabilities to stress the jointness of training – to provide a worthy threat/adversary. Also, there is a need for an ability to provide asymmetric challenges, as well as the targets we would see in real combat, to also include civilians on the battlefield.

JNTC is a tremendous resource with value and benefit well beyond training. The T can also stand for “testing.” The underlying pillars for JNTC are the same as those required for a realistic operational test event. We must partner with the testing community to maximize our commonality in the areas of instrumentation, data collection, cross-functional use of ranges, as well as long-term range sustainment. The same arguments can be made for the experimentation community, as they need to validate emerging operational concepts.

The JNTC Joint Management Office (JMO) is operational and is under U.S. Joint Forces Command’s leadership. The JMO has on its horizon the completion of a number of strategic goals, which will be described during this hearing, including range modernization; the ability to link joint experimentation and lessons learned into our Capability; establishing a Joint Technical Architecture; embedding training capabilities into our weapons systems and weapons platforms; and establishing a JNTC research, development and demonstration program.

JNTC is no longer a dream. We conducted our first joint horizontal training event in January involving live forces operating in the Western Range Complex, supplemented by helicopter and Special Forces simulators, with a constructive force wrap-around – all within a common operating picture. Sixteen different locations linked together to provide

realistic joint tactical and operational level training. It was a great start. Three other JNTC events are scheduled for this fiscal year.

The initial JNTC Event at the Western Range Complex has been deemed a very successful first step with great leadership and support from the Services and Joint Forces Command. Other major steps necessary to make the JNTC a success include the deployment of the Capability to overseas venues, the conduct of events at overseas sites, and achieving Full Operational Capability by 2009.

It is not easy to plan and execute complex joint combat operations when the Services have not had the ability to persistently and routinely train to accomplish those tasks. Consequently, during the January JNTC Event our forces honed their warfighting skills in joint close air support and other challenging joint tactical tasks that were used on the battlefields of Afghanistan and Iraq. Admiral Giambastiani, Commander, U.S. Joint Forces Command, said it best when he reflected on the importance of JNTC - "What the joint community has been able to do with the JNTC is to begin the second wave of training transformation-where we can now link the service training ranges with forces around the country-and in time, around the world-to a common joint environment at the operational level. In a sense, this new training transformation is producing 'born joint training' that seamlessly brings together a combination of live, virtual and constructive capabilities to create a common joint training environment. An important aspect of the JNTC is that it also avoids any additive requirements to Service training..."

We are committed to meeting joint mission operational and training requirements of our Regional Combatant Commanders. We must ensure that Headquarters and Component staffs and individuals deploying to a combatant command are fully trained to

joint standards and in the concepts of network-centric warfare prior to their deployment. Our focus is to prepare for joint operations so that we never conduct an operation for the first time in combat.

I can report first-hand observations on the fielding of the JNTC. I accompanied the Deputy Secretary of Defense and the Director of the Office of Force Transformation to the Western Range Complex JNTC event in January. Joint Forces Command Major General Nash and my Military Service colleagues will provide you the details of the impact on joint force readiness and the value to the Armed Forces from a Joint and Service perspective, but I would like to share with you one personal story.

During our visit to the National Training Center, the Army's 3rd Brigade, 3<sup>rd</sup> Infantry Division, was completing its rotation before deploying to the Middle East. You may recall that the Brigade's 3rd Infantry Division fought its way to Baghdad during Operation Iraqi Freedom. I noted the comments of Capt. Vern Tubbs, Charlie Company Commander, and a combat-hardened veteran from that campaign. Tubbs reflected on the high fidelity of the JNTC Event and said, "With all the confusion, I started to get flashbacks, like I'd seen this before. Only in Iraq, I was a lot more scared."

It is important to note the seminal and essential change in the department's culture as it relates to the post-911 world. As the Deputy Secretary observed, that "It wasn't long ago that I heard some very senior generals and very smart ones, too...observing that the tank commander really doesn't need to know what the guy in the cockpit is looking at. Well, that era has passed, and we're looking now at how to integrate tank training with Air Force training, and we are persuaded that trying to create a new joint national training center was the wrong way to go. We have some absolutely incredible individual service

training centers, but it's possible, again, thanks to a lot of virtual technology, to combine what's being done at Nellis with what's being done next door at Fort Irwin and in the various other Service-training centers around the country. And this will be called not a joint national training "center," but a joint national training "capability," which I think will bring jointness into the training area in a dramatic and important way."

We have the vision for transforming training in the Department of Defense to better enable joint operations. Our senior leadership has been explicit, unequivocal, and demanded change sooner rather than later. The global war on terror has only strengthened their resolve. They have provided resources to back-up their position.

Our goal is to focus on enhancing and measuring joint performance and capabilities. Our ability to train and educate must focus on the ultimate customer – the Combatant Commander and provide an adaptability that can quickly turn to new or emerging requirements.

There are multiple audiences in our total forces – individuals, units, and staffs in the active and reserve components. There are multiple means of delivering joint education and training – live, virtual, and constructive – and such capability must be persistent, with global reach and reach-back. Joint content runs the full gamut – at the strategic, operational, and tactical levels of war, across the full spectrum of military operations – from infantry to infants.

Our commitment is to a process of life-long learning and the means to deliver on this promise. This is true for both training and education.



We face tremendous future joint challenges – as we try to appreciate and execute on the full meaning of effects-based operations and the interdependencies of jointness that it demands. We are well on our way to transforming joint training in DoD.

Allow me to close with a hint of the value of the Joint National Training Capability and a testament to your past support.

*"It was all so fierce, so terribly fierce, a symphony of fire. It was combined arms at its most lethal, the relentless orchestration of air, armor, artillery, infantry and all the other killing modalities. It was combined and, in Pentagon jargon, it was joint, with the Army complemented by Navy, Air Force and Marine aircraft. The US military for 60 years had worked to make this the signature of American firepower, and no other nation could approximate such a synchronized application of violence. Until recently, this synchronization has been the presence of senior generals, but now I could see that it was routine for colonels, captains and sergeants on the battlefield to summon the genies of the air and the earth and the sea and to sic them on the enemy. On occasion, of course, violence could be misplaced, or imperfectly leveraged..."*

*The Making of a Combat General, 'A Very Tough Place' by Rick Atkinson, The Washington Post, March 8, 2004, adopted from In the Company of Soldiers: A Chronicle of Combat, Commander of the 101<sup>st</sup> Finds Rhythm of Battle, Iraq, 2004*

On behalf of the courageous men and women who serve today around the world fighting the global war on terrorism, the department thanks the Congress for its forethought, leadership, and direction. We also appreciate your support for the President and Secretary's effort to transform the Department of Defense to meet the security environment of uncertainty and surprise that we face in the 21<sup>st</sup> Century. Thank you.

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**HOUSE ARMED SERVICES SUBCOMMITTEES ON READINESS AND TERRORISM, UNCONVENTIONAL  
 THREATS AND CAPABILITIES**  
 UNITED STATES CONGRESS

STATEMENT OF

MAJOR GENERAL GORDON C. NASH, USMC

COMMANDER, JOINT WARFIGHTING CENTER AND DIRECTOR FOR JOINT TRAINING

UNITED STATES JOINT FORCES COMMAND

BEFORE THE HOUSE ARMED SERVICES SUBCOMMITTEES ON READINESS TERRORISM,

UNCONVENTIONAL THREATS AND CAPABILITIES

ON THE JOINT NATIONAL TRAINING CAPABILITY

18 MARCH 2004

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**HOUSE ARMED SERVICES SUBCOMMITTEES ON READINESS AND TERRORISM, UNCONVENTIONAL  
 THREATS AND CAPABILITIES**  
 UNITED STATES CONGRESS

Mr. Chairman, distinguished members of the committee, it is an honor and privilege to be here representing Admiral Giambastiani, Commander of the US Joint Forces Command to report to you on our progress in implementing the Joint National Training Capability.

In the words of the Secretary of Defense, when he introduced the need to transform DoD training, "Effectiveness in combat will depend heavily on jointness, and how well the different branches of the military can communicate and coordinate their efforts on the battlefield...achieving jointness in wartime requires building that jointness in peacetime. *We need to train like we fight and fight like we train and, too often, we don't.*" The concept, to train like you fight, is the very heart of the Joint National Training Capability.

JNTC will improve the ability of U.S. forces to fight more effectively as a joint team by extending joint training to a much broader audience. Joint forces win wars. In the past two decades we have progressively developed the concepts and culture needed to conduct joint operations. We have seen extraordinary joint successes in the field, accomplished often through ad hoc innovations enabled by the superb tactical competence of Service forces and outstanding military leaders at all levels of command. Military endeavors as Operation Just Cause, Operation Urgent Fury, and Operation Desert Storm, enabled our forces to conduct significantly more complex joint operations such as Operation Enduring Freedom and Operation Iraqi Freedom. But over this same period of time, due in part to limited joint operational training and exercises for our conventional forces, we have seen gaps in our capability to put joint task forces together quickly, thus inhibiting joint operations. The operational requirements clearly suggest the need for more interoperability and mission coherence grounded in a comprehensive joint training program at the tactical and operational levels. Training of operational forces and staffs has been accomplished largely along Service lines. While the requirement for individual Services to train their personnel in service core competencies will remain, the need for a more extensive joint training experience, with the attendant-supporting infrastructure, is clearly evident. It is important to note that the Services did a marvelous job in launching the first wave of Training



Transformation when they established training capabilities like the Navy's Top Gun, the Air Force's Air Warrior and Red Flag, the Marine Corps' Combined Arms Exercise program and the Army's Combat Training Centers. However, since U.S. forces must be ready to fight jointly, with little or no notice, in a complex and challenging security environment, a second wave of training transformation, this time in joint training, is imperative.

Transformation of joint training is the engine that drives transformation of joint warfighting capabilities. The new realities of asymmetric military threats call for a significant change in all aspects of military planning, organization, basing, deployment, and fighting. Planning that once was deliberate, based on a known threat, must now be adaptive, to respond to enemy capabilities that are highly adaptable and often unconventional. Fighting forces must be lean and packaged to move quickly to the area of operations and strike with the right composition of forces and firepower. Training transformation calls for significant advancements in the joint nature of training and a major change in the way we use our existing training infrastructure.

There are four pillars to effective joint training: realistic combat training; adaptive and credible opposing forces (OPFOR); common ground truth; and high quality feedback. JNTC will bring joint context to each pillar. Combat training realism will be improved by analyzing each joint tactical task, defining the conditions and measures associated with each task, coordinating Service training schedules to inject more joint operations into traditionally Service-specific events, and providing a robust, challenging opposition force. The development of a live, virtual, constructive joint training environment will significantly improve the depth and breadth of training. Opposing forces will be improved and strengthened through the establishment of a standing OPFOR headquarters and the development of doctrine, tactics, techniques and procedures that reflect the asymmetric tactics of our enemies. Additionally, JNTC will ensure that OPFOR low-density high-demand assets will be more widely available for a broader range of events. Improvements in instrumentation on Service training and testing ranges and development of new instrumentation technologies and methodologies will provide for an expansion of the number of entities that can be used in an exercise. This will lead to significantly greater fidelity in battlespace awareness enhancing the commander's ability to control his forces and the

trainer's ability to track the action and assess the results. Finally, by developing better tools for collecting, analyzing, and cataloging exercise lessons learned, we will significantly improve training feedback and enhance the commander's ability to evaluate the readiness of his forces.

JNTC will provide the environment, organization, processes, and tools that will improve the ability of U.S. forces to fight effectively as a joint and combined team. Such improvement will require a new set of capabilities to augment our existing training structure. These new capabilities must leverage, and be integrated with, existing Service capabilities and infrastructure. These facilities, not only represent a considerable investment, but they have demonstrated consistently superb training to Service tactical competencies. By leveraging existing infrastructure and capturing the best of new technologies, the JNTC envisions a networked, worldwide system of both Service, joint, and multinational facilities that will bring the benefits of a live, virtual, and constructive training environment to the user at all echelons. The capabilities being built into the JNTC will prove useful for training, experimentation, concept development, testing and evaluation, rapid prototyping, and mission rehearsal.

JNTC is significantly more complex than simply a capability to plan and execute Joint training events. In support of the Chairman's Joint Training System (JTS), JNTC seeks to bring greater economy and efficiency to all facets of Joint training. JNTC respects the traditional training role of the Services while providing an organizational structure and management construct that enhances their ability to conduct training and provides the resources and momentum necessary to ensure that Service training assets can be more effectively used for Joint training tasks.

#### **Implementing Training Transformation**

Almost two years ago in his testimony before the Senate Armed Services Committee, Deputy Secretary of Defense Paul Wolfowitz stated "The centerpiece of our training transformation effort will be the Joint National Training Capability." Since that time Joint Forces Command has made significant progress. In October 2002, JFCOM established a JNTC Joint Management Office (JMO) to develop the program, planning, and budgeting processes necessary to

enable the command to achieve the JNTC Initial Operating Capability (IOC) by October 2004. The JMO, working closely with OSD, the Services, US Special Operations Command (SOCOM), and the other Combatant Commanders, developed and implemented processes needed to identify training requirements, program investment strategies, and address areas of common interest among the stakeholders. The immediate concerns were to define joint context, leverage existing Service and combatant command exercise programs, and identify technologies and capabilities that would be needed to implement the extensive, dynamic JNTC program. In this process, we are being good stewards of the public's funds. We have planned and executed training events as "proofs of concept" that the JNTC can achieve its goals. We have successfully "raised the bar" of training in a realistic joint environment and we have begun to identify the significant technology investments, particularly in information technology, that will be needed to meet the needs of joint training in the future.

#### **Initial Successes**

A JNTC "proof of concept" event, scheduled for the summer of 2003, was significantly downscaled due to the higher priorities of combat operations in Iraq. Conducted in June 2003, it was a simulation exercise based on a scenario in which a Joint Task Force is formed to expel an aggressor nation that had invaded its neighbor. The training focus was on Joint Theater Air and Missile Defense. In spite of its reduced scope, JNTC was instrumental in demonstrating new capabilities in training technology in this event. For example, joint data network air track simulation improvements were provided and thoroughly tested to fix recurrent theater air missile defense (TAMD) exercise simulation programs. This resulted in a more realistic air and theater ballistic missile (TBM) scenario highlighted by the first ever achievement of simulation correlations on TBM tracks. The improved air picture enabled realistic TAMD and data link management training. The testing process contributed to similar solutions for real-world systems. A second JNTC investment, air picture analysis, resulted in improved assessment of the TAMD joint tactical task and provided significantly improved feedback to the training audience. Finally, JNTC funded and established a more realistic communications network that was able to emulate real world communications. This JNTC initiative resulted in validation of the Distributed Interactive Simulation (DIS)-Voice initiative and successfully

replicated tactical voice networks. These improvements led an Airborne Warning and Control System (AWACS) communicator to note "voice communications were the best seen in any previous simulation-driven exercise."

While that early success was heartening, a bigger opportunity occurred in the January 2004, Western Range Complex event with the execution of the first in a series of four events that define the JNTC Initial Operating Capability. Joint Close Air Support (JCAS) was the focus of training in this event, with additional emphasis on two areas related to JCAS, Baseline Information Exchange and Combat Identification. All facets of JCAS were assessed including the integration of JCAS assets into tactical planning and operational execution; coordination of JCAS employment with the ground commander's maneuver plan; the effectiveness of communications links between headquarters, ground forces, and JCAS assets; the contribution of JCAS to the synergistic effects of fires; battle damage assessment; the ability of C2 nodes to effectively track air and ground forces (both Red and Blue); and the quality of combat identification. The Western Range Complex event was conducted in California, Nevada, Arizona, and New Mexico with supporting sites in Texas, Louisiana, Kansas, Alabama, Georgia, Florida, and Virginia. It leveraged and integrated existing Service training events including an Army National Training Center brigade rotation at Ft Irwin, a U.S Marine Corps Combined Arms Exercise at the Marine Corps Air Ground Combat Center, Twentynine Palms, Navy Strike Group training, including a Stand-Off Land Attack Missile Exercise in the vicinity of San Diego, and the Air Force's Air Warrior exercise at Nellis Air Force Base. These events were integrated with Special Operations forces' training and joint training enhancements at twelve other distributed sites. Although the modeling and simulation confederation used in this event was based on the confederation developed for Millennium Challenge 2002, there are few similarities between the two events. The January event was a true training event rather than an experiment or demonstration. The event was significant in that it achieved critical improvements in the execution of joint training, strengthening each of the four pillars of joint national training:

- Realistic combat training.



- It was the first full tactical exercise of Joint Close Air Support to be conducted with the proper joint context and assessed to defined conditions and measures.
  - It fully integrated live, virtual, and constructive simulations based on improvements to capabilities demonstrated in Millennium Challenge 02.
  - It included live and distributed virtual participation of Special Operations Forces.
  - It featured a fully distributed training audience and training support.
- Adaptive and credible opposing force - The event employed greatly expanded, full-spectrum opposition forces including fixed and rotary wing threats, Unmanned Aerial Vehicles, threat emitters, threat targets, decoys, and live Red forces.
  - Common ground truth - Increased instrumentation successfully integrated the Western Range Complex resulting in a high quality, Common Operating Picture (COP) for all participants.
  - High quality feedback.
    - Fully manned assessment teams were assigned to each live location with enhanced analyses conducted by Joint Warfighting Center analysts, the Joint Combat Identification Evaluation Team, the Joint Interoperability Test Center, and the Joint Close Air Support Joint Test Team.
    - The event featured early integration of USJFCOM's Interoperability Technology Demonstration Center to assess command and control capabilities.

Technological enhancements included:

- An integrated live, virtual, constructive simulation environment over a distributed architecture.

- Improved instrumentation with an Advanced Range Data System (ARDS) ground station and processing at the Marine Corps' training facilities at Twentynine Palms.
  - Live air and ground forces instrumented, tracked, and recorded with ARDS at Twentynine Palms, then forwarded in to the COP via the event network. This live information was successfully merged with simulations.
  - Air Warrior entities simulated at Nellis AFB were tracked, recorded, and successfully forwarded into the COP.
  - National Training Center - Instrumentation System (NTC-IS) ground tracks, via the Instrumentation Translation Module (ITM), were successfully integrated into the Test and Training Enabling Architecture (TENA) logical range.
  - Using multiple TENA compatible displays, the training audience viewed an aggregate live picture at 29 Palms, Fort Irwin, San Diego and Nellis.
  - Successfully distributed video via an exercise network.
- First use of Global Command and Control System - Army (GCCS-A) at NTC.
  - Virtual AH-64s and AC-130s were integrated into the JNTC federation and scenario at NTC.
  - A virtual Joint Surveillance and Targeting Radar System (JSTARS) was integrated with the common ground station.

During the exercise ADM Giambastiani asked an Army major, a veteran of several brigade rotations and a member of the 3<sup>rd</sup> Infantry Division in Operation Iraqi Freedom, what he thought was different about the JNTC exercise. His answer was recognition that for the first time he was able to train with the advanced systems and joint tactics, techniques, and procedures that he used in war. This is a clear example of how JNTC is transforming the joint force. But, there is much yet to do, especially in the area of the communications infrastructure needed to support this global training network. The January event still represents an era of "setting up and tearing down"

the training communications infrastructure. This is inefficient, expensive, and inadequate for joint warfighter training in the future.

#### **JNTC Operational Implementation**

The JNTC is being implemented in two phases, "Initial Operating Capability (IOC)" planned for October 2004 and "Full Operating Capability (FOC)" scheduled for October 2009. IOC of JNTC is defined as "the ability to conduct Horizontal, Vertical, and Integration training events."

Horizontal events focus at the tactical level to provide existing Service training the joint context under which they will need to operate in time of conflict. Simply put, a horizontal event is focused on an audience from the most junior enlisted member (E-1) all the way to (Colonel or Captain) O-6 and that individual Service audiences are capable of conducting joint tactical operations with one another. There are two horizontal events being planned in FY 04:

- The January 2004, Western Range Complex event integrated a brigade rotation at the National Training Center, Air Warrior at Nellis AFB, a USMC Combat Arms Exercise at 29 Palms, and a Navy Strike Group exercise in San Diego.
- An August 2004 event will be conducted, built around a brigade rotation at the Joint Readiness Training Center and Air Warrior exercise on the Eastern Range Complex.

Vertical training events are at the Strategic/Operational level, focusing on coherent integration up and down multiple levels of command and control to achieve the desired effects. The training audience can range from a combatant commander's Battle Staff, to a joint task force commander and staff. Vertical events will normally reach down to the component level. Determined Promise 04 is the FY 04 vertical training event and will be conducted in August 2004 at sites distributed across the country. It is a combined Command Post Exercise and Field Training Exercise that will train the NORTHCOM battle staff and the Joint Task Force - Civil Support in a Chemical, Biological, Radiological, Nuclear and Enhanced Conventional weapons (CBRNE) crisis consequence management scenario. As this is a recent

change to the JNTC event lineup, due to force availability, the set of Joint tactical tasks has not been approved as of this statement.

Integration training events focus on the operational to tactical linkages, the ability of an operational commander (and staff) to effectively execute joint tactical operations, such as Theater Air Missile Defense, Forcible Entry, etc. Integration events will enhance existing joint exercises to address joint interoperability issues. Combined Joint Task Force exercise 04-2 scheduled for June 2004 will be the FY 04 integration event. It is a US/UK bilateral exercise employing Joint and Combined forces in a littoral environment with participants from Ft. Bragg, NC; Camp Lejeune, NC; Cherry Point, NC; and Eglin AFB, FL.

These events will demonstrate the ability of the JNTC to close the gaps and eliminate the seams in joint training as well as prepare sites for certification. In addition, they will establish a methodology for first-time events that sets the conditions for successful execution of similar JNTC supported events.

#### **JNTC Program Implementation**

##### **Implementing the Requirements Development Process - Service Coordination**

JNTC, as an element of DoD's Strategic Plan for Training Transformation, is being implemented in accordance with the Training Transformation Implementation Plan (T2 I-Plan). The T2 I-Plan provides the overarching tasks and milestones ensuring that the development of training requirements, program and budget planning, and program execution are accomplished in full transparency of OSD, the Services, Combatant Commanders, and Defense Agencies. Additionally, the T2 I-Plan is the broad-based blueprint for the JNTC program and is the master plan to which all other planning and programming documents must respond. Required activities, programs, projects, and tasks that OSD, the Services, Combatant Commanders, and Defense Agencies must execute are more specifically delineated in the FYDP DoD T2 Program Plan, and the execution year JNTC Program Execution Plans.



Joint Forces Command's JNTC Joint Management Office (JMO) has created a formal management structure that ensures open representation from OSD, the Services, Combatant Commanders (e.g. Special Operations Command), and Defense Agencies. Using a process that is aligned with the President's Planning, Programming, and Budget Execution process and the development of the five year Program Objective Memorandum (POM), OSD, the Services, Combatant Commanders, and Defense Agencies submit training requirements to the JNTC JMO as the front end of the program development effort. The execution year Program Guidance and Assumptions, collaboratively developed with OSD, the Services, Combatant Commanders, and Defense Agencies, provides specific investment strategies ensuring that submitted requirements form a coordinated and integrated, cost-effective package. The JMO management team, composed of the JMO director, program manager, operations manager, and technical director, works closely with representatives from OSD, the Services, Combatant Commanders, and Defense Agencies to review and prioritize the requirements. Through this effort they ensure that the requirements fulfill the goals and objectives identified in the T2 Implementation Plan, the current FYDP-based T2 Program Plan, the execution year Program Guidance and Assumptions, and specific roadmaps. Additionally, each requirement is assessed in terms of operational need, affordability, and technical feasibility. The program management team works closely with OSD, the Services, Combatant Commanders, and Defense Agencies to develop trade space for priority requirements.

JNTC resources are categorized into three broad groups: JNTC resources provided to and controlled by the Services for Service-specific JNTC program obligations; JNTC resources provided to and controlled by JFCOM for JNTC program obligations; and JNTC resources provided to and controlled by JFCOM for distribution to the Services for Service-specific JNTC program obligations. This latter category of resources allows the JNTC program manager wide latitude and year of execution flexibility to support Service requirements that are critical for the JNTC program enabling further integration of program requirements.

Once the JMO management team has vetted the requirements, the JNTC JMO director produces the program execution plan for the next fiscal year. This document details all the requirements to be executed in the coming year with complete budget data. It is given a final review by OSD, the Services,

Combatant Commanders, and Defense Agencies before being submitted for approval. The components are given the opportunity to rebut program management decisions with the rebuttals being given careful consideration by the JNTC JMO director and program manager, openly discussing those issues with senior Service representatives. The Director of the JNTC (JFCOM Director of Joint Training) and the Deputy Undersecretary of Defense for Readiness formally approve the program execution plan.

The processes that have been put in place to collect, merge, and validate the joint training requirements of OSD, the Services, Combatant Commanders, and DoD Agencies ensure a close relationship between Service training investments and the needs of the JNTC program. The linkages between the program execution plan, roadmaps, FYDP T2 Program Plan, the T2 I-Plan and the Strategic Plan for Training Transformation provide a high level of confidence that the joint training program is fully integrated and training investments lead to improved interoperability. Additionally, because it works very closely with the Services, the JNTC JMO is able to ensure that the Services are investing in systems and equipment that are fully integrated and interoperable with the JNTC systems and equipment.

#### **JNTC Budget Development**

The JNTC program is designed to identify all the training requirements of OSD, the Services, Combatant Commanders, and DoD Agencies; find commonalities; eliminate redundancies; and identify the most cost effective solutions. While the JNTC budget targets are established through OSD, the final budget is a dynamic document, sufficiently flexible to accommodate changes in the program scope. The FY 2004 JNTC budget, both Services and USJFCOM, including all appropriations, was set at \$135.7M. In September 2003 Congress placed a \$21.7M mark against the USJFCOM and US Navy portions of JNTC Operations and Maintenance funding. The program has been restructured as follows:

- Communications and Infrastructure (\$6.9M)
  - Eliminates installation of permanent communications infrastructure at 10 of 30 planned sites
  - Eliminates West Coast system control

- Reduces Navy's instrumentation and infrastructure investments
  - Risk: Reduction in infrastructure will result in reliance on legacy systems for site connectivity and bow wave cost of installations to FY 05. This will reduce JNTC's ability to satisfy training throughput targets in FY 05 and beyond.
- Joint Training Support (\$7.9M)
    - Results in limited implementation of Capabilities Improvement Initiative Teams and investigation of improved capabilities.
    - Reduces the ability to fully populate a capabilities database with lessons learned, observations, and findings associated with joint training and joint operations including OIF and OEF.
    - Impacts analysis of joint tactical tasks and joint doctrine planning coordination for FY 04 events.
    - Risk: This decreases analysis and preparation of FY 04 events.
- Opposition Forces (\$5.6M)
    - Reduces OPFOR staffing and limited OPFOR investments
    - Risk: This delays implementation of an OPFOR HQ staff and decreases the ability to fund Service OPFOR needs in Horizontal, Vertical, and Integration events.
- Joint Command and Control (\$0.30M)
    - Delays implementing a permanent Joint Command and Control system.
    - Risk: This places FY 05 throughput expectations at risk.
- Joint Management Office (\$1.0M)
    - Delays implementing a fully staffed JMO and bow waves hiring into FY 05.
    - Risk: This places FY 05 program management at risk.

While we do not anticipate these cuts will prevent JNTC reaching IOC by October 2004, the remaining events scheduled will see some reduction in scope. The result is that FY 05 will still be spent focusing more on learning about JTNC and less about getting on with training. Additionally, planning for FY 05 events and our ability to adequately begin FY 05 budget development and POM 06 planning are impacted.

#### **JNTC Technical Implementation**

As part of the implementation plan, operational, system, and technical architectures are being developed to evolve the JNTC from its present capabilities, as well as to establish standards to ensure interoperability with legacy and future systems. Technical requirements for the JNTC are being derived from operational requirements and from current DoD operational and technical guidelines, policies, and standards. The enterprise architecture for the JNTC will be achieved: (1) by establishing a long-term "to be" architecture that can evolve with changing technology and requirements, (2) by initiating a small-scale prototype, and (3) by growing and evolving toward the "to be" architecture in 2004-2009.

To define, build, implement, and maintain the architectures that support JNTC, a well-structured systems engineering and configuration management process must be created and managed. The JNTC architectures will be composed of models and simulations, stimulators, communications infrastructure, command-and-control systems, range instrumentation systems, and emerging training technology systems. Research, design, development, integration, test and operation of the technical infrastructure will be accomplished through the technical management of various activities within US Joint Forces Command, the Services, and contractor support organizations.

A technical implementation process is being used to develop and deploy JNTC technical capabilities. The process will enable:

- Clear traceability from requirements to deployed capability
- Configuration management of requirements and system design
- A system architecture approach to move from requirements to design
- Delineation of responsibilities within a systems engineering cycle
- Identification of documentation and product deliverable requirements



- Consistent product development and integration approach across disparate and distributed services, sites, and products
- Managed sequencing, synchronization, and insertion of JNTC capabilities into joint events

An incremental development process is being used to release JNTC capabilities. JNTC technology and capability releases will be synchronized with JNTC requirements and program considerations. Joint events provide opportunities to demonstrate, test, and use new capabilities as part of the JNTC.

JNTC will introduce technology improvements in seven primary areas:

- Communications
- Instrumentation
- Live, virtual, constructive simulations
- Opposition forces
- Web based technologies
- Standards and common architectures
- Selection and certification of JNTC sites

#### **Communications**

JFCOM is developing the Joint Training and Experimentation Network (JTEN) as the communications network for JNTC. The JTEN is a persistent, rapidly re-configurable network connecting sites that are essential to the success of Joint training. The network supports stand-alone events, Joint training exercises, exercise preparation and rehearsal, experimentation, evaluation of advanced training technologies, rapid prototyping, and evaluation of new warfighting concepts. The network permits community of interest networks and virtual data connections to be rapidly established within the overall network bandwidth. The JTEN provides secure data transport and, when mature, will implement state of the art Multi-Level Security (MLS). The network will encompass both interagency and coalition connectivity. At maturity, the network architecture will include provisions

for "edge-to-edge" network monitoring and operational control from a Network Operation and Security Center (NOSC). Engineering control will normally be accomplished from a System Control Center (SYSCON). Both facilities are being developed at USJFCOM. The system will include capabilities to collect and analyze network performance and utilization data. The JTEN is a classified network which will initially operate at U.S. system high SECRET. Full implementation of the JTEN will be accomplished using a phased approach.

The success of the JNTC depends upon a high bandwidth network infrastructure that links Service training ranges and command headquarters, combatant commands, agencies, multinational training sites, RDT&E facilities, and centers of excellence worldwide. DoD and the Services have a large number of dedicated wide area networks (WANs) that can be leveraged to form the JTEN global WAN. One example includes the Defense Research and Engineering Network (DREN), Defense Information System Network Asynchronous Transfer Mode Services (DATMS), Defense Information System Network - Leading Edge Services (DISN-LES), and the Navy's Distributed Engineering Plan (DEP). In addition to investigating these opportunities, USJFCOM has been working closely with the Defense Information Systems Agency (DISA) on the potential use of the Global Information Grid Bandwidth Expansion (GIG-BE) program that is being developed to provide global C2 connectivity for selected Joint, Service, and Agency headquarters. Leveraging the capabilities of other DoD enterprises is a "bottom-up" approach to developing a persistent network. However, with the unique technical, administrative, and policy challenges presented by each of the potential network partners, JNTC will also seek non-traditional networking solutions, establishing portals between key networks at national network interface points, and fostering cooperation among agencies order to create the most cost effective and technically capable network.

#### **Instrumentation**

JNTC is playing a key role in upgrading instrumentation systems employed on the many Service ranges used for test and training throughout the country. These upgrades, employing a consistent set of standards and protocols, are ensuring a level of Service interoperability never before seen. Additionally, through the investment incentive offered by the JNTC Joint Management Office, modernization of Service-centric range

instrumentation and telemetry systems is moving forward at an accelerated pace. Modern instrumentation systems will comply with the Test and Training Enabling Architecture (TENA), an architecture and interoperability standard that shares information among instrumentation systems, simulations, and real-world command-and-control systems

#### **Live, Virtual, and Constructive Environment**

An important aspect of the JNTC is the implementation of a live, virtual, constructive (LVC) training environment able to support globally distributed training events. LVC is defined as:

- Live - Real people, real equipment conducting training
- Virtual - Human-in-the-loop, using simulators, integrated into the training event
- Constructive - Simulated forces generated to enhance training

There are two aspects to the LVC capability. First is an operational implementation. The second is a test bed environment that can be used to investigate, in a laboratory setting, new ideas in training technologies and new simulation tools. The development of the LVC simulation capability complements current investments and investigations into modeling and simulation tools for training including the work of the Services and joint simulation efforts such as development of the Joint Federated Object Model, and will ultimately incorporate the outcomes of the Training Capabilities Analysis of Alternatives.

There is also a lot of work being done to transfer the best capabilities of the Joint Simulation System (JSIMS). First, the Software Support Facility, established by the Joint Warfighting Center as directed by the December 2002 Program Decision Memorandum and, second, a JSIMS validation and verification being conducted by US Joint Forces Command. The JSIMS Software Support Facility (SSF), based in Orlando, FL, is executing its assignment to maintain the JSIMS software pending initiation of a follow-on program. Operational on 1 October 2003, JWFC's SSF operations have supported the Training Capabilities AoA with analysis, lessons learned, and briefings and demonstrations. It has supported JSIMS validation activities with event planning, associated software corrections, and support, and provided onsite

personnel to participate in all related activities. Finally, the JWFC SSF has maintained the JSIMS software pending completion of the directed AoA and review by the Congress. In the five months since it was established, the SSF has delivered two separate patches and two complete JSIMS version updates that have corrected nearly 300 software problems. Additional improvements are planned for June and September 2004.

The independent US Joint Forces Command JSIMS validation and verification, directed by Congress, is evaluating and identifying simulation capabilities that can be transferred and implemented as part of the JNTC. These capabilities will be assessed by the JNTC Advanced Training Technology (ATT) group to see if they can satisfy JNTC challenges and shortfalls. Capabilities deemed promising and requiring refinement and stability enhancements will be integrated into the JNTC ATT Laboratory (JATTL) environment for test, evaluation, and certification. When the JSIMS technology is mature and ready for use in a training event it will be formally integrated into the JNTC toolkit and readied for deployment.

#### **Web-based Technologies**

Web based technologies are being used in several ways. As a program management tool, the JNTC web site is being modified to allow our partners to submit training requirements using an on-line application. This will greatly simplify the requirements collection process. US Joint Forces Command's Joint Digital Library System (JDLS) is being employed as a document management and storage system for the JNTC. Web-accessible, this tool enables JNTC personnel to access information and conduct business from remote locations. The JDLS includes task management tools and "chat-room-like" collaboration tools. Finally, JNTC is developing a Collaborative Information Environment (CIE) that will provide wide-ranging support to the JNTC program. CIE will support planning and execution of JNTC training events. It will be employed by the program managers in the programming and budget management processes. The CIE will be used to create and maintain technical integration databases that will enable the technical process action teams to more effectively analyze technical gaps and seams in training capabilities.



Finally, the CIE will improve the effectiveness and efficiency of training through the adoption of automated scheduling tools.

Web based technologies are also being used to investigate and develop advanced concepts in Joint training. For example, a web based repository browser is being developed to hold all object model specification requirements for the Test and Training Enabling Architecture (TENA). This repository acts as the access mechanism to build an instance of a TENA event. In addition, collaborative web based tools are enabling system engineers to coordinate development of the Rapid Distributed Database Development (RD3) capability and Joint Federated Object Model (JFOM) integration. The RD3 design concept will leverage web-based technologies to facilitate correlation of data among modeling and simulation dataset production cells in DoD. Current research in extensible modeling and simulation framework is investigating extensible mark up technologies to enhance C4I in simulation systems interfaces. Computer generated forces that are used to build the JNTC federation exchange information through browser technologies during events, which aids the After Action Review (AAR) process. An organic Blue Force Tracking architecture will be used to track live forces as part of CUTFEX 04-02. This will allow for a data collection process over an Internet Protocol framework. The feed will provide an interactive display capability, which when networked will allow collaborative planning, preview, and rehearsal activities between tactical and command activities while other leadership or training audiences can have a viewing portal to conduct their activities.

## **Standards**

JNTC standards will be drawn primarily from those defined in the Joint Technical Architecture (JTA) that mandates the minimum set of technical standards for DoD systems that produce, use, or exchange information. JNTC standards will extend JTA guidance and establish additional standards to meet specific joint training requirements. These JNTC-specific standards will build upon, but not conflict with those standards outlined in the JTA.

The overriding criterion for selection of JNTC standards is that they must be critical to joint training interoperability. Using the JTA standards as a starting point, JNTC standards will be based primarily on commercial

open system technologies. They must also be technically mature, publicly available, technically implementable, and consistent with law, regulation and policy.

We face many challenges in adopting and fielding systems that comply with the new, emerging standards. However, to build the most integrated and capable joint force possible, JNTC will need to establish standards that best support joint training. Where a legacy standard supports effective joint training, it will be maintained. Where legacy standards hold back the creation of a truly integrated joint training environment new standards will be adopted. In some cases, the Services will need to use systems based on legacy standards for some time into the future. In these cases, JNTC will use interfaces and gateways between legacy systems and systems based on JNTC standards.

Configuration control of JNTC standards will be critical to maintaining their currency and relevancy. JNTC standards will be configuration-managed by the JNTC JMO, under the direction of the JMO technical director. The technical director will chair a standards review group consisting of the JMO technical management group leadership, representatives from the JMO program management and operations management groups, and Service and DoD Agency representatives. The standards review group will manage the review and selection of new standards based on JTA and commercial standards developments, input from Services and Agencies, as well as feedback from JNTC training events.

#### **Site Selection and Certification Program**

JNTC sites are selected in two ways. The first is when a Service, Combatant Commander, or Defense Agency recommends a site be designated as a JNTC site. These sites will be regular participants in joint events. The second is when the Joint Management Office believes that a particular site has the requisite tools and capabilities to materially contribute to a joint event. In this case, the site will be included (with Service, joint or agency concurrence) into the JNTC infrastructure. To be nominated, a site must possess one or more of the following characteristics or capabilities:

- Capability to provide LVC data to stimulate the C2 devices during a joint event. This must be an established resident capability.
- Possess a C2 function, an education capability, and/or a technical center of excellence that clearly contribute to the JNTC environment

Site certification is focused on five key areas:

- Communications systems and supporting networks;
- Live, virtual, and constructive simulations;
- Instrumentation and data collection;
- OPFOR technologies; and
- Information management/knowledge management.

The certification process will employ JTA and TENA. It will provide a determination that sites and systems are compliant with specified architectures, configurations, and standards required to create a realistic environment. As a direct result of certification, the joint interoperability of sites, systems, and distributive networks will continually improve. Certification will assist the Services in planning investments in training systems and infrastructure. Assurance of continued ability to meet certification criteria will be achieved through a program of periodic re-verifications.

### Conclusion

During Operation Iraqi Freedom, for the first time, DoD instituted a dynamic lessons learned process at the operational level of war and deployed a team for the express purpose of gathering joint operational insights on a comprehensive scale. The significance of what we saw was that our commanders realized that the key to harnessing the full power of jointness begins at the operational level of command and links to strategic planning and tactical execution. It is at that level—the level of the Combatant Commander, the Joint Task Force commander and the Joint Air, Land and Sea Component Commander, where the real work of seamlessly integrating Service capabilities into a Coherently Joint and Combined force takes place. We saw that the ability to plan and adapt to changing circumstances and fleeting opportunities is the difference between success and failure in the modern

battlespace. In total, what these lessons learned indicate is that our traditional military planning paradigm and perhaps our entire approach to warfare is shifting. The main change, from our perspective, is the shift from deconflicting Service-centric forces designed to achieve victories of attrition to integrating a joint and combined force that can enter the battlespace quickly and conduct decisive operations with both operational and strategic effects. JNTC will serve as the venue by which we can integrate these lessons learned and, with advances in technologies, coupled with innovative operational warfighting concepts, build a new joint culture, enabling a new level of coherent military operations that we have never been able to achieve before.

Thank you for the opportunity to be here today to address our evolving capabilities in joint training and for your continued support to our Soldiers, Sailors, Airmen and Marines, who daily go in harms way in support of our country.



RECORD VERSION

STATEMENT BY

BRIGADIER GENERAL LOUIS W. WEBER

DIRECTOR OF TRAINING

OFFICE OF THE DEPUTY CHIEF OF STAFF, ARMY G-3

BEFORE THE

JOINT READINESS AND TERRORISM, UNCONVENTIONAL THREATS AND  
CAPABILITIES SUBCOMMITTEES

ARMED SERVICES COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

ON THE JOINT NATIONAL TRAINING CAPABILITY (JNTC)

FIRST SESSION, 108<sup>TH</sup> CONGRESS

MARCH 18TH, 2004

NOT FOR PUBLICATION  
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BY THE ARMED SERVICES COMMITTEE  
UNITED STATES HOUSE OF REPRESENTATIVES

Mr. Chairman, members of the committee, it is my honor to represent the Secretary of the Army and the Soldiers of the U.S. Army; an Army at war continuing to serve our Nation. This war with an adaptive enemy, using asymmetric means, and requiring operations across the full spectrum of operations, has again demonstrated that determined, disciplined, well trained and equipped, and well led soldiers are the ultimate combat system. Current operations have also demonstrated the absolute requirement to train and fight as a coherent, inter-dependent Joint force.

Training capability is too often the forgotten force multiplier that our forces enjoy, for the moment at least, over the forces of other nations. To assure success during actual operations, units must have the opportunity to train mission essential tasks with the same equipment, operating systems, operational conditions, and joint force elements that they will use in actual operations. A Joint National Training Capability helps to provide this opportunity for the Army and the Joint team.

Developing JNTC for operational level units provides a superb training opportunity to commanders and staffs of all potential joint force headquarters; Army headquarters that must be prepared to function as a Joint Task Force Command, or Army headquarters that must be prepared to function as Joint Force Land Component Command.

Similarly, developing JNTC for tactical level units helps ensure they have the opportunity to train joint and interoperability tasks within a 'true' joint context, that is, as close as possible to how they will perform during actual operations. We are making good progress developing the tactical-level JNTC capability, as demonstrated in January during execution of the first JNTC event. Results of this exercise will better inform us to integrate joint training capability at the tactical level, without significantly increasing deployment demands on tactical units and without jeopardizing the training rigor we have achieved in Service-unique training.

JNTC at the tactical level gives the Army a greater opportunity to train "joint" early in a Soldier's career. Teaching joint considerations and interdependence early enables our younger leaders to carry those lessons learned forward throughout his or her professional

career and ultimately improves the Army's ability to meet the current challenges as well as any challenges we may face in the future.

Through efforts to date, the Services, Joint Forces Command, and the Joint and OSD staffs have achieved considerable agreement about how to build the best possible joint national training capability. The Army looks forward to continued coordination and cooperation among all concerned.

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THE HOUSE ARMED  
SERVICES COMMITTEE

STATEMENT OF  
DR. MICHAEL P. BAILEY  
TECHNICAL DIRECTOR  
UNITED STATES MARINE CORPS TRAINING AND EDUCATION COMMAND  
BEFORE THE  
SUBCOMMITTEE ON TERRORISM, UNCONVENTIONAL THREATS  
AND CAPABILITIES  
HOUSE ARMED SERVICES COMMITTEE  
CONCERNING  
JOINT NATIONAL TRAINING CAPABILITY  
ON  
MARCH 18, 2004

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THE HOUSE ARMED  
SERVICES COMMITTEE



## United States Marine Corps

### Senior Level

Michael P. Bailey

Technical Director, Training and Education Command



Dr. Michael Page Bailey was born in Baltimore, Maryland on May 19, 1961. He graduated from the University of North Carolina at Chapel Hill with a Ph.D in Operations Research in 1988, and became an Assistant Professor of Operations Research at the Naval Postgraduate School in Monterey, California. He was promoted to Associate Professor in 1993 and tenured in 1994.

In 1995, he sabbaticaled at the Office of the Chief of Naval Operations, Assessments Division, OPNAV-N81 as a visiting scholar. There he served as operations analyst in support of the Quadrennial Defense Review until 1997, whereupon he joined the Marine Corps as Principal Analyst, Modeling and Simulation. In December 1999, he joined the Marine Corps' Training and Education Command as Technical Director. In December 2000, the Marine Corps formed the Training and Education Technology Division, with Dr. Bailey as its head. Technology Division is responsible for requirements, policies, and sponsorship of all technology applicable to Marine Corps individual training, unit training, exercises, and ranges. These technologies include interactive multimedia distance learning, weapon system and crew training simulators, simulation, interactive gaming, instrumentation, and classroom technology.

## I. INTRODUCTION

Mr. Chairman, Congressman Meehan, and distinguished Members of the Terrorism, Unconventional Threats and Capabilities Subcommittee, thank you for this opportunity to appear before the committee to discuss the Marine Corps involvement in the Joint National Training Capability (JNTC).

In January of this year, JNTC Prototype Event One was held in the Western range Complex including Marine Corps Air-Ground Combat Center, Twentynine Palms, California. In order to participate in this event, several Marine and Joint training capabilities came together to execute an instrumented live training event with constructive simulation augmentation and limited virtual simulator involvement. This event was designed to evaluate performance of Joint Close Air Support, as well as to evaluate the JNTC technical approach. Preparing for and executing this event provided lessons learned on both fronts.

## II. RANGE INVESTMENT STRATEGY

In order to fully participate in future Joint National Training Capability events, and to adequately support our Service training, the Marine Corps must upgrade and modernize our training ranges. We have developed a strategy, the USMC Range Investment Strategy, which would develop and field instrumentation capability that is interoperable with the JNTC. Our approach is economical, and reflective of the Marine-Corps-unique aspects of our training. In particular, our modernization strategy for Twentynine Palms provides automated tracking and recording, target-based opposing force representation, and after-action review -- without compromising our live-fire training. This strategy will bring JNTC interoperability to Marine Corps Air Station Yuma, Camp Pendleton, and Camp Lejeune. The Marine Corps itself needs

all of the capabilities embodied in the Range Investment Strategy, but the JNTC has raised our level of urgency.

The first phases of implementation of the Range Investment Strategy will commence this year with the support of the Congress, and will continue as we institutionalize support for this Program in our Service. Other Programs, including our Deployable Virtual Training Environment (DVTE), our Combined Arms Command and Control Training Upgrade System (CACCTUS), and our Aviation Simulation Master Plan are critical to our effort to establish and maintain robust live-virtual-constructive training capabilities.

### III. INTEROPERABILITY

For Event One, ranges and command centers shared ground truth data using the training and Testing Enabling Architecture (TENA) protocol. It is our understanding that Joint Forces Command and the Office of the Undersecretary of Defense (Personnel and Readiness) advocate using TENA as our range data interoperability standard of the future, and the Marine Corps concurs. As we develop and field our range instrumentation systems, we will not only use TENA as an external standard for communications, we will implement TENA as our native standard for intra-range system interoperability.

### IV. TRAINING VALUE

JNTC brings Joint context to Service training events by synchronizing these events and injecting elements of the shared Joint common operational database into each. JNTC also has an evaluation component that is designed to document the performance of the training forces as they execute Joint Tactical Tasks (JTT's). The Joint context and the assessment are of extremely high

value to the Marine Corps, provided we remain appropriately focused on Joint command and control activities. Event One illustrated that the JNTC community still has some work to do in definition of the focus of evaluation, as well as meaningful promulgation of the Joint context to the exercise force.

## V. CONCLUSION

The Marine Corps supports the JNTC Program, and is fully engaged in Training Transformation, following the lead of the Undersecretary and his staff. We are in the process of upgrading and modernizing our range infrastructure to meet our own Service training needs, as well as to enable Marine Corps participation in the JNTC.

Mr. Chairman and members of the Terrorism, Unconventional Threats and Capabilities Subcommittee, thank you again for your steadfast support, and for this opportunity to appear before the committee to discuss how the Marine Corps is evolving our training program.



**DEPARTMENT OF THE AIR FORCE**

**Presentation to the Committee on Armed Services**

**Subcommittee on Readiness and Subcommittee on Terrorism, Unconventional  
Threats, and Capabilities**

**United States House of Representatives**

**SUBJECT: Joint National Training Capability (JNTC)**

**STATEMENT FOR RECORD OF:**

**Brigadier General Norman R. Seip  
Deputy Director of Operations and Training**

**18 March 2004**

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UNITED STATES HOUSE OF REPRESENTATIVES**



## BIOGRAPHY

### UNITED STATES AIR FORCE



#### BRIGADIER GENERAL NORMAN R. SEIP

**Selected for reassignment as Deputy Combined Forces Air Component Commander, U.S. Central Command, and Deputy 9th Air Expeditionary Task Force Commander, Air Combat Command, Al Udeid Air Base, Qatar.**

Brig. Gen. Norman R. Seip is Deputy Director of Operations and Training, Deputy Chief of Staff for Air and Space Operations, Headquarters U.S. Air Force, Washington, D.C. The directorate is responsible for Air Force current operations and operations training. It comprises more than 500 military and civilian members, assigned to eight divisions and two field operating agencies. Among these are the Air Force Operations Group and Air Force Flight Standards Agency.



General Seip entered military service after graduating from the U.S. Air Force Academy in 1974. He has commanded at the squadron, group and wing levels, was an exchange officer with the U.S. Navy, and has served in staff and executive officer positions at the major command, air staff and joint staff levels.

#### EDUCATION

- 1974 Bachelor's degree in history, U.S. Air Force Academy, Colorado Springs, Colo.
- 1977 Squadron Officer School, by correspondence
- 1980 Master's degree in public administration, Golden Gate University, San Francisco, Calif.
- 1984 Air Command and Staff College, by correspondence
- 1994 Air War College, by seminar

#### ASSIGNMENTS

1. June 1974 - July 1975, student, Undergraduate Pilot Training, Craig Air Force Base, Ala.
2. September 1975 - February 1976, RF-4 student pilot, 33rd Tactical Reconnaissance Training Squadron, Shaw AFB, S.C.
3. February 1976 - February 1979, RF-4C instructor pilot and chief of standardization and evaluation, 62nd Tactical Reconnaissance Squadron, Shaw AFB, S.C.
4. February 1979 - August 1979, F-4D student pilot, 63rd Tactical Fighter Squadron, MacDill AFB, Fla.
5. August 1979 - February 1982, F-4E instructor pilot, and standardization and evaluation officer, 18th and 43rd tactical fighter squadrons, Elmendorf AFB, Alaska
6. February 1982 - June 1982, F-15 student pilot, 555th Tactical Fighter Training Squadron, Luke AFB, Ariz.
7. June 1982 - August 1983, F-15 pilot and chief of training, 43rd Tactical Fighter Squadron, Elmendorf AFB, Alaska
8. August 1983 - April 1984, student pilot, F-14 Flight Replacement Training Squadron, Officer Exchange Program, Oceana Naval Air Station, Va.
9. April 1984 - March 1986, F-14 pilot, weapons training officer and assistant operations officer, Officer Exchange Program, VF-41, Oceana Soucek Field, Va., and USS Nimitz
10. March 1986 - April 1988, F-15 pilot and flight commander, 48th Fighter Interceptor Squadron, Langley AFB, Va.

11. April 1988 - August 1991, F-16 Program Manager, Executive Special Assistant for Director of Plans and Programs, and Executive Officer to the Director of Operations, Headquarters Tactical Air Command, Langley AFB, Va.
12. August 1991 - December 1991, F-15E student pilot, 461st Fighter Squadron, Luke AFB, Ariz.
13. December 1991 - August 1992, F-15E pilot and chief of quality improvement, 335th Fighter Squadron, later, chief of standardization and evaluation, 4th Operations Group, Seymour Johnson AFB, N.C.
14. August 1992 - May 1993, operations officer, 336th Fighter Squadron, Seymour Johnson AFB, N.C.
15. May 1993 - May 1994, Commander, 4th Operations Support Squadron, Seymour Johnson AFB, N.C.
16. May 1994 - February 1996, Commander, 334th Fighter Squadron and Inspector General, 4th Fighter Wing, Seymour Johnson AFB, N.C.
17. February 1996 - October 1997, Commander, 48th Operations Group, Royal Air Force Lakenheath, England
18. October 1997 - April 1999, Executive Officer to the Air Force Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.
19. April 1999 - May 2001, Commander, 4th Fighter Wing, Seymour Johnson AFB, N.C.
20. May 2001 - July 2002, Deputy Director for Operations, National Military Command Center, the Joint Staff, Washington, D.C.
21. July 2002 - present, Deputy Director of Operations and Training, Deputy Chief of Staff for Air and Space Operations, Headquarters U.S. Air Force, Washington, D.C.

#### **FLIGHT INFORMATION**

Rating: Command pilot

Flight hours: More than 4,300

Aircraft flown: RF-4C, F-4D, F-4E, F-14A, F-15A and F-15E Strike Eagle

#### **MAJOR AWARDS AND DECORATIONS**

Defense Superior Service Medal

Legion of Merit with oak leaf cluster

Meritorious Service Medal with four oak leaf clusters

Aerial Achievement Medal with two oak leaf clusters

Joint Service Commendation Medal

Navy Achievement Medal

#### **EFFECTIVE DATES OF PROMOTION**

Second Lieutenant June 5, 1974

First Lieutenant June 5, 1976

Captain June 5, 1978

Major Oct. 1, 1985

Lieutenant Colonel Aug. 1, 1990

Colonel Aug. 1, 1996

Brigadier General Sept. 1, 2000

(Current as of July 2002)

Mr. Chairman and members of the committee, thank you for the opportunity to speak with you about Air Force involvement in the Joint National Training Capability and its benefit to our Air and Space warriors.

I am Brigadier General Norman Seip, Deputy Director of Operations and Training for Headquarters Air Force. The Operations and Training Directorate is responsible for overseeing the development and implementation of the Air Force's contribution to the Joint National Training Capability, known as JNTC.

First, the Air Force has long appreciated the value and the complexity of Joint Training. Conflicts and contingency operations in the past 15 years, particularly in the Global War on Terrorism, have highlighted the necessity of fighting jointly. Therefore the Air Force has fully embraced the challenge to create the JNTC and better enable our forces to train like we fight.

This past January, the Air Force, along with Army, Marine, Navy, and Special Forces warfighters, participated in the first-ever JNTC event. We had aircrew flying in Joint Close Air Support missions in concert with Army forces at the National Training Center, Fort Irwin, California. Instrumentation on the aircraft provided takeoff-to-landing live monitoring and mission-debrief recordings, not only for the aircrew and exercise control personnel, but also for command and control personnel at the Nellis Air Force Base Combined Air Operations Center in Las Vegas, Nevada, the Army leadership at Fort Irwin, and Joint Forces Command at Suffolk, Virginia.

The training event was further enhanced by integrating Intelligence, Surveillance, and Reconnaissance inputs from a simulated E-8 "JSTARS" aircraft at the Distributed Mission Operations Center, Kirtland Air Force Base, New Mexico and simulated Special Forces gunship and helicopters at Hurlburt Air Base, Florida.

As you can see, even this first JNTC event created a dynamic training venue for the services without the usual costly requirement to transport every participant, their equipment, and maintainers to a single location. Also with the integration of sophisticated virtual and computer-generated assets, the training was more complete and realistic than we have attained before.

Of course, all these benefits are not without its challenges. The Air Force is actively engaged with the other Services and Joint Force Command to address the creation of forward-thinking technology standards as well as equitable funding responsibilities.

In conclusion, I would like to reiterate that the Air Force is fully participating in the development of the Joint National Training Capability and we look forward to increasingly effective joint training events for our Air and Space warriors.



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**QUESTIONS AND ANSWERS SUBMITTED FOR THE  
RECORD**

MARCH 18, 2004

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## QUESTIONS SUBMITTED BY MR. HEFLEY

Mr. HEFLEY. The JNTC will have full operational capability by Fiscal Year (FY) 2009. What is the anticipated cost to reach full operational capability?

Dr. MAYBERRY. Let me first provide the definition of "full operational capability" (FOC) as contained in the DoD Training Transformation Implementation Plan—Appendix 1: "This task will be considered successfully complete when the joint training system, driven by war fighter validated requirements and standards, includes integrated live (instrumented live systems/platforms), virtual (human in-the-loop simulators), and constructive (constructive simulations) systems enabling interoperability to a level where the combatant commanders have the appropriate venue to enhance all of their Joint Mission Essential Tasks . . . This process will never be fully complete as we must remain agile and adaptable enough to add certified sites and systems that provide a needed venue for joint training, reach-back capability, or mission rehearsal capability. Success of this action will result in readiness rate improvements in the Defense Readiness Reporting System (DRRS)."

We note that one of Secretary of Defense Rumsfeld's perspectives on Transformation, as contained in the Transformation Planning Guidance of April 2003, included: "There will be no moment at which the Department is 'transformed.' Rather, we are building a culture of continual transformation, so that our armed forces are always several steps ahead of any potential adversaries . . . [To accomplish this] we must transform our training in the same way that we transform the rest of the force."

Given the Secretary's direction, while full operational capability will be reached by October 2009, this will not be a "final operational capability." The Department will continue to improve and build upon JNTC's FOC configuration to ensure that event venues are accredited and certified, remain current, and stress our warfighters' capabilities in a training environment that creates the most lethal and survivable Force in the world.

We fully support the President's FY 2005 Budget that was submitted to Congress. This budget requests approximately \$191 million for JNTC. This investment illustrates the level of commitment required to take us across the future years' defense program and to a dynamic FOC. We estimate that a \$1.1 billion investment will enable us to achieve our programmatic FOC in 2009. The Department is considering additional funding to support studies in information operations, urban operations and other missions to which our Forces must better train in order to decisively win on future battlefields. These studies will support our "Thrust 4" functional training program—which provides dedicated joint training for functional warfighting and complex joint tasks.

We will continue to leverage the integrated effort of the Services to procure, modernize and maintain their range sustainment, instrumentation and supporting programs. In addition, we are currently evaluating how the Training Capabilities' Analysis of Alternatives will enhance our Joint modeling and simulation efforts.

General NASH. Table 3 of US Joint Forces Command's Report to Congress on Implementation of the Joint National Training Capability identifies the anticipated costs to reach full operational capability. This estimate, a \$1.13B investment, remains valid and will enable us to reach full operational capability in FY09.

Mr. HEFLEY. The Service Chiefs have Title 10 responsibility to train their forces. At what point do JNTC requirements and demands cross the line and limit the Service Chiefs prerogative of how to best train that Service?

Dr. MAYBERRY. JNTC training requirements are established in a collaborative environment and in full partnership with the Service Chiefs. JNTC's principal direction is that none of its training requirements will limit the ability of the Service Chiefs to train to their Service core missions. JNTC requirements are designed to add positively to Service training events by providing Combatant Commander-driven "joint context" within Service Title 10 training events.

General NASH. A guiding tenet of JNTC planning and implementation is to not adversely impact Title 10 Service training. JNTC events will enhance rather than preempt or "crowd out" Service core competency training. In this way, JNTC will

bring Jointness to the lowest appropriate level and ensure we train as we intend to fight.

Mr. HEFLEY. The proposed exercise in June 2004 is referred to as the Integration Training Event Eastern/Gulf Range Complex. The underlying training exercise is a regularly scheduled Navy Joint Task Force Exercise (JTTFEX). As the Navy and Marine Corps always conduct a 'joint exercise' before a carrier group deploys, what is unique or different about this exercise?

Dr. MAYBERRY. There are three things that will make this CJTFEX different.

First, we will have three training audiences: a Joint Headquarters organization; functional component commands; and increased coalition participation. While this a United States/United Kingdom bilateral exercise, participants from Canada, the Netherlands, Germany, and France will participate in varying degrees. Thus, the exercise is a "combined" or CJTFEX.

Second, the event's analysis focus will be on five Joint Tactical Tasks: conduct amphibious assault and raid operations; conduct fire support; conduct air and missile defense operations; establish, operate and maintain baseline information exchange; and provide for combat identification. This will also provide a joint level of analytical focus that we have never had.

Third, we will integrate DoD testing and training requirements in a joint and coalition training event. This will be a major test of processes to incorporate Joint Combat Identification and Evaluation Team, and Joint Testing and Evaluation, to an even greater degree into a training event. In addition, we will support approximately 15 Technology and Demonstration projects.

Although real world missions will limit participation by some components, we will train as we fight with the presence of a Combined Air Operations Center, Special Operations Forces, and other capabilities.

Finally, the June CJTFEX's live training missions will be complemented by virtual and constructive simulation capabilities at disparate U.S. venues, including an EP-3 Mission Avionics System Trainer at Naval Air Station, Fallon, NV; AC-130 and MH-53 flight simulators at Hurlburt Field, FL; a Joint Conflict and Tactical Simulation program at Marine Corps Base Camp Lejeune, NC; a Squad Synthetic Environment simulation at Ft. Benning, GA; and a Joint Semi-Automated Forces program at Tactical Training Group Atlantic, VA.

We intend to train the way that we fight—jointly, and with our partners and friends.

General NASH. The difference between the June 2004 integration event and a standard Navy/Marine JTTFEX is in the amount of Joint and multinational participation and realism including Air Force, Army and Special Operations Command participation. In particular, the event includes fully integrated East Coast multi-range instrumentation support to provide ground truth assessment and assistance with quality After Action Reporting. Also, the JNTC is integrating disparate Service participation to focus Joint training in five Joint Tactical Tasks: amphibious assault and raid operations, fire support, conducting air and missile defense, establishing, operating and maintaining baseline information exchange, and providing combat identification. While a traditional JTTFEX would attempt this, the integrating capability of the JNTC and JFCOM Joint exercise planners contribute significantly to the success of full integration of Joint capabilities. Another important aspect of this event is that it integrates over a dozen specific joint warfighter capability improvement initiatives including blue force tracking and cruise missile defense.

Mr. HEFLEY. Do you anticipate the Services changing their training requirements in the near future to include a JNTC exercise before troop deployment?

Dr. MAYBERRY. Yes, in fact we are doing so now. Our first JNTC event in January 2004 at the Western Range Complex included reconstitution training for the Army and laid a foundation for their subsequent deployment later this year. The same training event included mission rehearsal for Marine forces. While we do not yet have the capacity to make every pre-deployment exercise a JNTC exercise, the upcoming JNTC event in June (CJTFEX 04) will be a pre-deployment training mission rehearsal exercise as will the August JNTC exercise at the Joint National Training Readiness Center.

OSD and United States Joint Forces Command (USJFCOM) will continue to work with the Services to align JNTC events along three priorities: deployment-driven joint training events; Regional Combatant Commander Operational Plans Exercises; and Service-core training within a JNTC context. This will not be easy and will require continued extensive coordination with the Services.

Our JNTC schedule optimizes existing Service training plans so that we do not create an undue burden on Forces that are supporting the global war against terrorism—the Department's number one priority.



General NASH. This is the vision of JNTC. Our projected exercise schedule is very focused on pre-deployment training and preparation of forces for potential operations plan execution. The current operating tempo of US forces is driving this requirement, since nearly all US forces are either deployed, recovering from deployment, or preparing to deploy. Therefore, any training conducted is part of pre-deployment preparation. We are developing policies and procedures that will extend the Services' ability to conduct accredited Joint training at traditional Service venues for forces requiring particular Joint capabilities. Ultimately the JNTC will enable the Services to go beyond Service-specific training filling the gaps between Service and Joint training processes and systems. The creation of a seamless single environment will allow multi-Service forces to gain the benefits of Joint training during exercises from sites that are not co-located. For example, JNTC will link multiple live training exercises and major Service training centers, including modeling and simulation capabilities. Therefore the JNTC will be used to train forces against a general threat; to experiment with new doctrine, tactics, techniques, procedures, Joint operational concepts, and equipment; and, by FOC, to conduct enroute mission rehearsal against a specific operational training requirement.

Mr. HEFLEY. How will the Department of Defense address the asymmetric threat? Please describe how JFCOM and each of the services plan to train future opposing "red" forces to think, adapt, and act as credible adversaries?

(a) Please explain how you will incorporate lessons learned from operations in Afghanistan, Iraq, and other parts of the globe to transform the opposing force into a formidable and credible adversary?

(b) Usual JFCOM reports take between six months to a year to complete; how will JFCOM expedite these lessons learned to make them more pertinent to JNTC exercises?

Dr. MAYBERRY. Our Forces face a broad array of asymmetric threats, including Weapons of Mass Destruction; Chemical, Biological, Radiological, Nuclear, and Explosive threats; suicide bombers; irregular, unorganized and non-uniformed combatants; use of urban warfare venues and tactics to mitigate our weapon superiority; and improvised explosive devices.

We are including this burgeoning list of asymmetric threats that was initiated by the Services in our training programs. The Marine Corps' January 2004 Desert Talon Exercise allowed the air combat element of a deploying Marine Air Ground Task Force to hone its combat skills in convoy support operations and other missions—some of which took place in the city of Yuma, AZ. The U.S. Army also incorporated Lessons Learned from Operations Enduring Freedom and Iraqi Freedom into its National Training Center (NTC) scenarios:

James Kittfield, who visited the NTC in January, accurately described the effectiveness of the Army's asymmetric warfare training environment in his article "About Face" which appeared in the January 31, 2004, *National Journal*.

Kittfield's summary of the National Training Center scenario included, "Irate civilians were yelling in the faces of U.S. soldiers, local police officers were refusing to obey orders shouted in English to drop their weapons, and word was coming over the tactical network that insurgents had cut off reinforcements for 'Charlie Company.' That's when bad memories came back unbidden to Capt. Vernon Tubbs, Charlie Company commander. 'With all the confusion, I started to get some flashbacks, like I'd seen this before,' Tubbs said. 'Only in Iraq, I was a lot more scared.'"

Our training scenarios are enabling exercise participants to increasingly think and correctly react in an asymmetric environment. Deploying members of the 1st Marine Expeditionary Force staff received language and cultural awareness training prior to deployment to Iraq. And the Center for Army Lessons Learned has recently added to its repository modules on Iraqi culture.

The urgency to improve our asymmetric warfare training is also being addressed by one of my directorates, ODUSD (Readiness) (Readiness and Training Policy and Programs). The group is establishing a study effort, under the JNTC Thrust 4 (Functional Training Strategies) initiative, to develop an integrated, Joint training roadmap to address asymmetric warfare needs.

The Department is adapting its training to meet the tenets of the T2 Implementation Plan by providing "an environment for realistic exercises against aggressive, free playing opposing forces, with credible feedback."

To address this issue we are exploring several initiatives to include standing up dedicated, joint "red forces" in Information Operations and "Asymmetric Warfare" areas and working to incorporate, when practical, threat capabilities that do not rely upon the U.S. equipment in the current inventory to replicate the threat.

The Services formerly conducted Joint Training Tasks (JTTs) during their horizontal training (interoperability—USJFCOM Category II) and vertical (linking component and joint command and staff planning and execution—USJFCOM Category

III) events. Since then, we are incorporating JTTs into our JNTC events—which build on existing training. In January, for example, we honed our participating Forces' warfighting skills in Joint Close Air Support.

JFCOM and the Services are diligently working to be creative in our capabilities for Opposing Force (OPFOR).

Our contribution is the Joint Assessment and Enabling Capability (JAEC). In conjunction with JNTC, it will assist Department leaders in guiding Training Transformation to achieve maximum similarity between training and real world operations, and accelerate the way the Force becomes more adaptable and agile. This systematic process will include innovative use of performance assessment tools, techniques, policies, and metrics, in support of national security requirements.

JAEC is developing metrics to identify the successful integration of lessons learned in JNTC and Joint Knowledge Development and Distribution Capability efforts to include joint professional military education, training, and experience. Part of this assessment will also include the measure of real world similarity of operations to training, to include resiliency of the OPFOR and introduction of new tactics. These metrics and indicators will determine the progress made toward transforming our mission rehearsal evolutions to parallel real world operations, which will also provide for inclusion in the DoD Balanced Scorecard.

As we become more involved in both Joint and Service events, we understand the need to provide commanders immediate feedback on how units and staffs accomplish Service tasks under joint conditions. The current plan is to use existing observer controller teams at our national training centers to provide immediate feedback to Service training audiences on the execution of these tasks. JFCOM will try this for the first time during the August JNTC event at Ft. Polk. We will modify the process as necessary based on what we learn.

General NASH. Asymmetric threats are addressed in both Service and joint training and are being incorporated into Joint National Training Capability (JNTC) events. For example, during the January 04 JNTC event at the Army's National Training Center at Fort Irwin, California, the brigade from the 3rd Infantry Division (Mechanized) (3rd ID(M)) faced an enemy opposing force (OPFOR) capable of challenging the brigade across the spectrum of conflict. OPFOR used dismounted forces and employed insurgent and terrorist forces in civilian clothing. With the presence of civilians on the battlefield, including media, local civilian officials, and humanitarian organization role-players, the unit was forced to negotiate and apply rules of engagement in a complex environment. Additionally, the 11th Armored Cavalry Regiment (OPFOR) challenged the 3rd ID(M) with dispersed and concealed mechanized forces equipped with improved anti-tank and air defense capabilities using deception.

JNTC is partnering with expert organizations such as the Army's Training and Doctrine Command (TRADOC) and the Defense Threat Reduction Agency (DTRA) to integrate a wide range of asymmetric threats including information operations and chemical, biological, radiological, nuclear and high yield explosive (CBRNE) threats into exercise design.

The planned standing OPFOR headquarters will be a critical JNTC initiative that ensures a credible OPFOR. This permanent staff, employing dedicated command and control systems while implementing relevant OPFOR doctrine, will institutionalize new methods of challenging the warfighter and significantly improve how our "red" forces think, adapt, and act. Partnering with Service OPFORs enables us to establish a culture wherein dedicated opposing forces think, adapt, and respond as a realistic enemy. Additionally, we are working with the Services to assist in the development of OPFOR training manuals that provide the framework for unit and individual performance, exercise design, and detailed OPFOR capabilities. These manuals address how a thinking OPFOR uses asymmetric means to defeat a superior force. Finally, we are examining lessons learned from JFCOM observer/trainers and a variety of organizations, including the Center for Army Lessons Learned, to ensure the OPFOR incorporates improved tactics, techniques, and procedures based on current operations and exercises. These lessons will be incorporated into the August 2004 JNTC IOC event at Ft. Polk, LA. This is a first data point toward the achievement of IOC.

(a) JFCOM is integrating lessons learned from operations Enduring Freedom and Iraqi Freedom, as well as lessons learned from our collection efforts on the Global War on Terrorism, in Haiti, and in Kosovo, into all levels of the design of joint training events being conducted in FY04 and all future events. For example, we incorporated lessons learned in convoy protection operations into the January Western Range Complex Event. We are also using lessons learned about enemy tactics, especially asymmetric threats, to improve our exercise OPFOR capabilities. Again this was clearly demonstrated in the January event as we used enemy combatants in



civilian clothing communicating via satellite phones, as we have seen in Operation Iraqi Freedom.

Near-term improvements include equipping the East and West Coast live and simulated OPFOR for all operational training tasks with capabilities that include man-portable surface-to-air missiles, rocket-propelled grenades, satellite communications, and a more robust use of aggressor fixed- and rotary-wing aircraft, and unmanned aerial vehicles.

(b) The very close relationship inside the command between Lessons Learned and the trainers insures that the lessons are incorporated as soon as they are defined and vetted, without waiting for publication of the full report. For example, after OIF, the trainers were able to incorporate the lessons in June '02, less than a month after the Lessons Learned team returned from the Middle East. The lessons were briefed to CAPSTONE classes, service chiefs, and to other warfighting headquarters starting in June as well in order to promulgate the lessons ahead of the written report. In all, JFCOM has briefed over 150 senior level audiences in order to ensure the lessons are well known and can be included in training (and operations) at all levels. Training reports (Commander's Summary Report) are normally given to the Combatant Commander within 48 hours after the end of a USJFCOM-sponsored training event. These reports provide sufficient information to allow the combatant commander to jump-start their assessment process and correct shortfalls. Additionally, JFCOM (J7 JWFC) provides a facilitated after action review immediately following the training event that focuses on strengths and weaknesses. We never leave a training event until we are certain the combatant commander and staff understands the strengths and weaknesses of his command and has a clear vision of the way ahead.

As we become more involved in both joint and Service events, we understand the need to provide commanders immediate feedback on how units and staffs accomplish Service tasks under joint conditions. The current plan is to use existing observer controller teams at our national training centers to provide immediate feedback to Service training audiences on the execution of these tasks. We will try this for the first time during the August JNTC event at Ft. Polk. We will modify this process as necessary based on what we learn.

JFCOM training teams (observer/trainers and analysts) routinely pass on "best practice" lessons learned from one training audience to the next during combatant command exercises. Additionally, we bring current theater expertise to brief training audiences on the most current lessons learned and "best practice" tactics, techniques and procedures. As a result, the training audience receives immediate assistance for a problem or situation based on a proven solution. Because the "best practice" is implemented immediately, the training audience has the opportunity to use the advice or process and, if it works, make permanent changes to their operational processes and procedures. Additionally, senior mentors provide separate feedback to training designers to ensure we rapidly assimilate the most current information.

In addition to immediate training feedback, JFCOM is concerned with identifying capability shortfalls for the overall benefit of the Joint community. To that end, we augment our training teams with personnel whose sole function is to identify capability shortfalls. They develop a collection management plan and report the results of their effort in Doctrine, Organization, Training, Material, Leader Development, Personnel, and Facilities format. These reports along with other lessons-learned information provide data points over time that lead us to identify joint warfighting capabilities that need to be fixed or further developed. Capabilities Initiative Improvement Teams are formed to develop immediate solutions, test them in exercises, and then implement them as quickly as possible. By their nature, timelines for fixing capability shortfalls will vary based on the complexity of the task.

General WEBER. The Army has long been convinced that the conditions reflected in Army training environments and the nature of the threats presented there must reflect current realities and incorporate the methods and capabilities employed by potential adversaries. Leaders of the Opposing Forces at Army Combat Training Centers (including the Battle Command Training Program) are charged with replicating the threat envisioned by the training scenario. When a clear operating environment is known (for a Mission Rehearsal Exercise, for example, when the deploying unit has a good comprehension of the current operational environment), then the Opposing Force can precisely replicate the threat. In a less clear situation, such as Iraq, the opposing force is encouraged to be as free-thinking and unpredictable as possible, in order to challenge unit and staffs with ambiguity generated by a disaggregated Opposing Force playing many roles.

(a) The Army consolidates responsibility for collecting observations and for presenting threat capabilities at our Combat Training Centers in the U.S. Army Training and Doctrine Command. As common practice, the Training and Doctrine Com-

mand continually reexamines the Combat Training Center program to ensure the threat and operational environment is reflective of the actual operations and changing world conditions. Those replicating Opposing Forces; study, analyze, and use these observations to better reflect actual conditions presented in training by Opposing Forces.

(b) The Army will continue to work with Joint Forces Command to expedite the incorporation of lessons learned into exercises conducted with the JNTC.

Admiral HART. The Navy is developing an asymmetric environment representative of red forces threats (newest technology to older generation systems), to include Command and Control (C2) that provides useable links by red, and also provides exploitable links for blue Intelligence Surveillance and Requirements (ISR).

(a) Navy employs lessons learned from returning strike groups, carrier battle groups, air wings, and country analyst studies to rapidly incorporate them in training to provide representative OPFOR throughout the Fleet Response Plan training sequence.

(b) There are different levels of reporting requirements that will address different audiences with lessons learned (LL). Immediate LL debriefings during hot-wash sessions will be conducted to select training audiences at various levels from the tactical unit/staff to a component/functional level staff. For post-exercise reports, coordination will take place prior to the exercise to ensure exercise participants and observer-trainers/observer-controllers are aware of any specific data collection requirements and post-exercise deliverables. Generation of the more time sensitive reports will take priority.

General SEIP. JFCOM is developing an OPFOR headquarters which will incorporate lessons learned from global military operations as well as feedback from joint exercises and develop scenarios to challenge the war-fighter to think, adapt, and react to credible asymmetric threats.

(a) The Air Force Director of Air and Space Operations recently stood up the Air Force Office for Lessons Learned which will be coordinating Air Force lessons learned with other Services, the Joint Staff, JFCOM, and other combatant commands. The focal point for taking the lessons learned and honing a credible opposing force is the OPFOR headquarters at JFCOM.

(b) At planning conferences with the Services, JFCOM indicated that observer/controllers in the field will provide the war-fighter immediate feedback and a formal exercise summary report will be provided 30 days after exercise completion.

Dr. BAILEY. The Marine Corps does not have a dedicated, standing opposing force (OPFOR). However, the Marine Corps continues to adapt its training exercises and scenarios to meet the current and anticipated threat pictures in real-world operational conditions, incorporating lessons learned from OIF and OEF. Prior to deployment to OIF II, Marine forces conducted a modified pre-deployment training program that included a basic urban skills training (BUST) package, stability and sustainment operations (SASO), and live fire convoy/desert operations for ground units as well as live fire urban close air support for rotary/fixed wing aircraft. In all training packages, the instructors/evaluators ensured the asymmetric threats were properly incorporated, i.e. harsh desert environment, urban operations, an "unseen" enemy, hostile crowds, IED threats, etc. The extensive use of role players, particularly in the BUST and SASO training packages, provides thinking, credible OPFOR and friendly/neutral forces that provide the types of situations and environments encountered in real world scenarios.

(a) The Marine Corps does not have a dedicated, standing opposing force (OPFOR). However, the Marine Corps has adapted its Service program training goals at the Combined Arms Exercise (CAX) training program and Weapons and Tactics Instructor (WTI) course to support the unit-specific mission essential tasks of those units preparing for operational deployment in support of OIF. The members of the Tactical Training Exercise Control Group (TTECG) at Twenty-nine Palms, CA, who conduct the CAX program, have established liaison and coordinated with USMC operational forces, training establishments, and sister Service-training centers for information exchange of OIF/OEF lessons learned. Many WTI instructors from Marine Aviation Weapons and Tactics Squadron-One (MAWTS-1), Yuma, AZ, augmented the operational forces during OIF. In both cases, lessons learned from OIF/OEF are continually being reviewed and applied to modify the training programs to ensure the threat picture and appropriate threat responses are being incorporated.

(b) N/A.

Mr. HEFLEY. How does JFCOM and each of the services plan to build the JNTC network?

(a) Who is in charge of designing the systems architecture?

(b) What standards and protocol will be used?



(c) Will this be in compliance with the Global Information Grid's (GIG) architecture?

Dr. MAYBERRY. JFCOM is leading the effort to integrate numerous test and training networks into a single common architecture.

The Draft DoD Directive 1322.18 (Military Training) directs the Under Secretary of Defense for Personnel and Readiness to "develop policy for and exercise oversight of joint architectures and standards for integrating live, virtual, and constructive environments in support of training, to include prioritization of capabilities, implementation, sustainment and compliance adjudication."

USJFCOM is leading an integrated technical team composed of representatives from the Defense Information Systems Agency, communications specialists from the Services, and engineers from the Navy's Space and Naval Warfare Systems Command. In order to judiciously use our scarce resources, we are optimizing Joint and Service training networks whenever possible. The JNTC will enable the Joint Training and Experimentation Network (JTEN), a dedicated community of interest network within the Global Information Grid infrastructure, to be so optimized.

One of my directorates, ODUSD (Readiness) (Readiness and Training Policy and Programs), is sponsoring two standards study efforts, in partnership with USJFCOM and the OSD Test Community, to provide additional answers to this question. While we are still at an early stage of the process, the study's efforts will: identify what needs to be "standardized" in the Live, Virtual, and Constructive environments; outline the pros and cons of each alternative; make recommendations in each area and then develop a technical data package for use in the acquisition and modification of key training systems.

All of this work will be done in compliance with the Global Information Grid's Architecture.

General NASH. JFCOM is leading the effort to integrate numerous test and training networks into a single common architecture that not only resolves interoperability issues among Service training systems, but also creates an environment that will resolve interoperability issues among operational warfighting systems. Such an integrated training network leads to greater training efficiency and enables new methods for distributed network centric warfare training. The JNTC will establish the Joint Training and Experimentation Network, a dedicated community of interest network within the Global Information Grid (GIG) infrastructure. The Joint Training and Experimentation Network will link existing DoD/Service training and research networks and provide selected transmission to and from real world operational networks via gateways. This approach enables us to leverage existing capabilities and evaluate transformational concepts without impacting real world operations.

(a) JFCOM is leading an integrated technical team composed of representatives from the Defense Information Systems Agency (DISA) and communications specialists from each of the Services. Additionally, we have contracted experts from the Navy's Space and Naval Warfare Systems Command and Naval Air Systems Command to assist in the systems engineering aspects of this effort.

(b) JFCOM is leading a team of standards experts to publish a comprehensive set of standards and protocols needed to support transfer of voice, video, and data, modeling and simulation tools, and to ensure interoperability between systems. There are numerous standards, and protocols number in the hundreds. The foundation for this work is the Joint Technical Architecture (JTA), the High Level Architecture (HLA), DoD's C4ISR Architecture Framework, the Test and Training Enabling Architecture (TENA), and the Joint Federated Object Model (JFOM). Standards and protocols are being adopted from existing military standards and a wide range of industry standards such as those established by the International Organization for Standardization (ISO), the Institute of Electronic and Electrical Engineers (IEEE), the Internet Engineering Task Force (IETF), the American National Standards Institute (ANSI), and the ISO International Electrotechnical Commission.

(c) Yes, the Joint Training and Experimentation Network will be compliant with the GIG architecture. The significant investment being made in the GIG bandwidth expansion (GIG-BE) will provide the persistent high bandwidth network infrastructure needed to link JNTC sites and provide the Joint live, virtual, and constructive training enablers necessary to meeting JNTC mission and objectives. JFCOM is working closely with DISA to leverage this global infrastructure as it emerges.

General WEBER. U.S. JFCOM will build the JNTC network, complete to a local terminus at each installation designated as part of the network. The Service or Agency that owns that installation will then pay for the costs of connecting the intended end user of the network to the local network terminus. This is known as paying for the "last mile" connection.

(a) The Joint Management Office at Joint Force Command is designing the systems architecture for the Joint National Training Capability. Services are responsible for connecting existing capabilities into it and for designing connectivity with Joint National Training Capability into future Service capabilities.

(b) Network standards, protocol, and certification criteria are being developed by Joint Forces Command with input from the Army and other Services.

(c) Yes.

Admiral HART. Developing a common architecture for JNTC is a difficult and complex task. JFCOM through the Joint and Service requirements processes is designing a network to satisfy the myriad of joint training requirements. In order to make best use of available resources, leveraging upon existing joint and Service training networks has been the focus from the beginning of the program. The JNTC vision is to combine the numerous training networks into one common architecture intending to resolve interoperability issues among the Service training systems and create a seamless, interoperable training network in compliance with current DOD standards. The Navy plans to integrate its Navy Continuous Training Environment network with the JNTC via two primary points of presence at Fleet Concentration Area training centers in Norfolk, VA and San Diego, CA. This will lead to a fully integrated distributive mission operations training capability for all major naval platforms (air, surface, and subsurface) Fleet-wide.

The JFCOM JNTC Standards and Architecture Process Action Team is in charge of designing the systems architecture with collaboration from the Services.

JFCOM is currently working with DISA to institute a dedicated network that is compliant with the GIG architecture, with the GIG-Bandwidth Expansion (BE) program providing the infrastructure needed to link JNTC sites. As GIG-BE is installed and achieves its full operational capability JNTC sites will be migrated to connect directly to the GIG-BE, improving networking and communications between JNTC sites and leveraging GIG-BE investments in communications infrastructure.

General SEIP. The Services and JFCOM have formed collaborative joint action teams comprised of functional experts under the technical management leadership of JFCOM to build the JNTC network.

(a) & (b) JFCOM has the technical lead to develop systems architectures, standards and protocols in collaboration with the OSD, the Services, and COCOMs as required.

(c) Yes, the technical action teams are focused on ensuring compliance with the GIG's architecture.

Dr. BAILEY. The Marine Corps is not creating a long-haul network infrastructure; we intend to rely upon the infrastructure that will be installed by JFCOM to support JNTC. We provide service level input on the design of this infrastructure. The Marine Corps is focused upon creating the infrastructure from the national data transport capability to the training system(s) and ranges.

(a) JNTC Joint Management Office is designing this national architecture.

(b) The Marine Corps is adapting to the standards set during the January 2004 JNTC event. The Test and Training Enabling Architecture (TENA), accepted as the data standard in January, 2004.

(c) The evolving Training Futures Capabilities Board is harmonizing the JNTC standards with current and future GIG architectures. We are committed to leveraging the new GIG infrastructure as it is fielded.

Mr. HEFLEY. Is there an estimated cost for this network?

(a) Who will pay for the cost of building the JNTC network?

(b) Who has the responsibility for maintaining this network?

Dr. MAYBERRY. The JNTC Joint Management Office has completed an extensive cost-modeling effort to identify the Fiscal Years 2005-2009 funds necessary to support installation, operation, and maintenance of the persistent JNTC network. Estimated Fiscal Years 2005-2009 JNTC network cost is approximately \$102 million.

USJFCOM and Service Transformation of Training Program (T2) funding will pay the cost of building the JNTC network.

USJFCOM Joint Management Office will be responsible for maintaining and protecting the network.

General NASH. The JNTC Joint Management Office has developed an extensive cost model to identify the FY05-09 funds necessary to support the installation, operation, and maintenance of the Joint Training and Experimentation Network. The cost model includes fixed and variable costs over the lifecycle of the network and accounts for changes in technology, communications equipment, last mile upgrades, circuit lease costs, operations, network security, configuration modifications of the network, event tempo, and escalation. The fixed costs are primarily equipment purchases; labor to configure, install, and operate systems; and circuit leases. Variable costs, such as expenses associated with Service, Agency, and Regional Combatant



Command last mile site infrastructure, present a challenge to the cost model. An average cost is estimated based on the range of last mile expected costs and current known capabilities at associated sites. Costs will not be finalized until thorough site surveys and engineering analyses are conducted. The following summarizes the estimated FY05—FY09 costs for the JNTC network.

FY 05 (Million \$)	FY 06 (Million \$)	FY 07 (Million \$)	FY 08 (Million \$)	FY 09 (Million \$)	Total (Million \$)
19.900	20.200	20.500	20.800	21.100	102.500

(a) The JNTC budget provides the funds needed to build the network. JFCOM JNTC funds will be used to integrate existing DoD and Service infrastructure; design, develop, and implement the network; and procure the equipment necessary to complete the network. Service JNTC funds, augmented by JFCOM JNTC funds where appropriate, will be used to upgrade Service infrastructure and complete "last mile" connections to the network.

(b) The JNTC JMO will be responsible for maintaining and protecting the Joint network. Under established policies, participating JNTC persistent sites will be obligated to support and sustain JNTC assets resident on their facilities. Conditions, roles, and responsibilities will be specified in the network Concept of Operations, memoranda of agreement, configuration control plans, and other related technical agreements and directives.

General WEBER. The Joint Management Office for the Joint National Training Capability (JNTC) at Joint Forces Command estimates that the Fiscal Year 2005-2009 JNTC network costs will be approximately \$102 million.

(a) The Joint Management Office for JNTC at Joint Force Command will pay the cost of building the network to the various sites. The Army will pay for the "last mile" costs of bringing the JNTC network from the installation terminus to different locations on each installation.

(b) U.S. Joint Force Command will maintain the overall network. The Army is responsible for the operations and maintenance (O&M) of the "last mile" portion of the network.

Admiral HART. JFCOM JNTC Joint Management Office (JMO) has conducted cost as an independent variable analysis on the long-haul portion of the Joint Training Experimentation Network (JTEN) and equipment installation at the Service Delivery Points (SDP). The cost of the Navy's "last mile integration" of its Navy Continuous Training Environment network to the JNTC SDPs at the two Fleet concentration areas is estimated at approximately \$3M with maintenance and sustainment costs estimated at approximately \$750,000 per year.

JFCOM JNTC JMO will pay for the long-haul capability of the JNTC JTEN and JNTC JTEN equipment installed at the SDPs at each major JNTC persistent site. The Services will pay for their respective training networks and the installation and integration of "last mile integration" of the Service training networks to the JNTC JTEN.

JFCOM JNTC JMO will maintain and sustain the equipment and capabilities associated with the JNTC JTEN up to and including the equipment at the SDPs. The Services will maintain and sustain their respective training networks and the backside connection to the JTEN at the SDPs in accordance with Memorandums of Agreement established between JFCOM JNTC JMO and the Services.

General SEIP. The estimated costs of the GIG or JNTC networks is best answered by OSD and JFCOM respectively.

(a) JFCOM and the Services will pay for the cost of building the JNTC network.

(b) JFCOM has the primary responsibility for maintaining the network.

Dr. BAILEY. Distributed Virtual Training Environment (DVTE) is not replaced by Joint National Training Capability (JNTC) or Range Modernization/Transformation (RM/T). It is a deployable hardware suite (COTS laptop) with a JSAF based virtual simulation (combined arms network) and multiple Tactical Decision Simulations (VBS-1, First to Fight, MAGTF XXI, etc. . . .). Join Forces Command (JFCOM) sponsored JNTC events mix live, virtual, and constructive exercise entities. The Marine Corps system for virtual entities is DVTE—as such it links to JNTC networks. The funding profile you displayed for DVTE is correct—however, those funds do not provide any type of JNTC node connectivity. It is not infrastructure money . . . RM/T (formerly JET or JNTC-MC) is the program funded that upgrades our ranges to implement Live-Virtual-Constructive (LVC) capabilities which meet Office of the Secretary of Defense (OSD) directed Training Transformation initiatives—namely JNTC. FY04/05 efforts are presently underway at Marine Corps Air-Ground Combat Center under congressional plus-up funds which baseline the Marine Corps LVC ca-

pabilities and JNTC interoperability. The sphere of investment for RM/T is interior to the USMC range/base/station accomplishing range infrastructure upgrades as needed to provide for Marine Corps range and exercise control and to merge the LVC exercise-Common Operational Picture (COP) for use at required points on the base. Infrastructure support ends at the node where that exercise-COP is passed through a Test and training Enabling Architecture gateway onto the Joint Training Environment Network (JTEN) to other JTNC sites. JNTC is an Joint Management Office program under the oversight of JFCOM with requirements from OSD. JFCOM is responsible for the JTEN which is the "pipe" typically to provide connectivity of JNTC exercise sites (using LVC). JFCOM is responsible for the JTEN network external to the Base/Post/Station, and the Marine Corps is responsible for range and simulation data internal to the Base/Post/Station.

Mr. HEFLEY. How will JNTC accommodate the training of coalition or allied forces?

(a) What is the plan to incorporate these forces in future exercises?

Dr. MAYBERRY. The Transformation of Training Program (T2) calls for a broader, more inclusive definition of joint to include not just operations among multiple Services, but also with interagency, intergovernmental, and multinational partners.

The Office of the Under Secretary of Defense for Policy (OUSD-P) is tasked in the T2 Implementation Plan with developing a common set of mission essential tasks for interagency, intergovernmental, and multinational operations. While the Department has some experience in these areas, the Global War on Terrorism has made it clear that we must educate, train, and exercise to prepare our forces to successfully conduct these types of operations.

To begin this process, OUSD-P will be convening a Task Force to determine the essential tasks required to conduct interagency, intergovernmental, and multinational operations to achieve this broader joint capability. The Training Transformation Interagency, Intergovernmental, and Multinational Mission Essential Tasks (TIM2) Task Force Convening Conference will be held May 25-27, 2004, at the National Defense University in Washington, DC.

The mission essential tasks developed will become the basis for the tasks, conditions, and standards to which individuals, units, and staffs will be trained in order to be prepared to properly accomplish their mission. Education and training will be developed or modified to support these tasks.

The integration of our friends and allies into JNTC events will begin at the June 2004 JNTC event. United Kingdom and Canadian conventional forces will participate, and we are also planning to have Special Operations Force participants from the United Kingdom, the Netherlands, France, and Germany as members of a Commander, Joint Special Operations Task Force staff.

The current Fiscal Year 2005 schedule includes opportunities for greater participation by coalition partners. Additionally, we are working closely with Allied Command Transformation (ACT) and leveraging existing coalition training opportunities through the Regional Security Cooperation Network and the Partnership for Peace. We expect to meet a T2 Implementation Plan milestone to conduct a multinational JNTC event outside the Continental United States in Fiscal Year 2007.

General NASH. Wherever appropriate JNTC seeks coalition and allied forces for Joint training events. In order to achieve Initial Operating Capability (IOC) in FY04 JFCOM is conducting four pre-IOC events. The second JNTC pre-IOC event, CJTFEX 04-2 includes forces from Canada, France, Germany, the Netherlands, Norway, Peru, and the United Kingdom. One of the issues facing JNTC is establishing multi-level security procedures for all exercises to segregate different classification levels within our JNTC network infrastructure. This applies to both US exclusive exercises and to coalition exercises. Conducting a multinational JNTC event outside the Continental United States in FY07 is a milestone of DoD's Training Transformation Implementation Plan. Operational and technical planning is on track to achieve this requirement.

To enable multinational training events the JNTC network infrastructure is being extended into each combatant commands area of operations at those locations where multinational and coalition training is conducted. We've also established dedicated liaison officers with each of the combatant commands to aid in event planning and the development of training requirements.

(a) Two of the four FY04 JNTC pre-IOC events include alliance and coalition partners. The current FY05 schedule includes opportunities for greater participation by coalition partners. Additionally, we are working closely with Allied Command Transformation and leveraging existing coalition training opportunities through the Regional Security Cooperation Network and the Partnership for Peace.

General WEBER. The guidance from Office of the Secretary of Defense in the Training Transformation Strategic Plan and the Training Transformation Imple-



mentation Plan provided a consistent vision of incorporating Joint, Interagency, Intergovernmental and Multinational training into the JNTC. The JNTC will eventually allow coalition forces to tie into the JNTC architecture in order to participate.

(a) The first Joint National Training Capability (JNTC) exercise to incorporate coalition or allied forces will take place in June, 2004. British and Canadian forces will take part in Combined Joint Task Force Exercise (CJTTFEX) 04-2, which is a designated JNTC exercise.

Admiral HART. JNTC will provide the infrastructure and functional capabilities to link and support live, virtual, and constructive forces of Regional Combatant Commanders worldwide in direct support of Operation Plan exercises involving allies along with major multi-national exercises involving allies or potential coalition partners. This global exercise support capability is currently scheduled to be operational in FY07.

The Navy continues to actively pursue training opportunities with allied forces within the JNTC construct through its Joint Task Force Exercises (JTFEX) and Battle Group In-port Exercises (BGIE). Combined JTFEX 04-2 will incorporate allied force participation from the United Kingdom, the Netherlands, Peru, and Canada. The Multiple BGIE (MBGIE) that will be conducted by Commander Second Fleet in February 2005 will include United Kingdom participation via distributive modeling and simulation capabilities. Commander Third Fleet currently has planned participation by Canadian naval forces for JTFEX 05-1.

General SEIP. So far, JFCOM's focus has been primarily U.S.-only in terms of implementing JNTC. However, coalition participation is planned for two JNTC exercises in FY04—the Combined Joint Task Force exercise in Jun 04 (UK) and the Joint Readiness Training Center in Aug 04 (Canada). JFCOM is aggressively looking at ways to include coalition participation across the spectrum of live-virtual-constructive training, particularly now that Admiral Giambastiani, Commander of Joint Forces Command, also wears the NATO trainer hat. Issues like multi-level security, however, must be resolved for our allies to become full partners in joint training.

Dr. BAILEY. This question is not asking for a Service position and need to be addressed by JFCOM. JNTC falls under their authority.

Mr. HEFLEY. What is JFCOM and the Services' plan to integrate legacy and new command, control, communications, computers, and intelligence (C4I) systems for JNTC exercises this year?

(a) Who is responsible for this major responsibility?

Dr. MAYBERRY. It is important to remember that as new Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems transition from concept through development, JNTC can serve as a context for testing, and then, training with and refining the systems. We also plan to increase the effectiveness and efficiency of legacy systems so that they may meet the requirements of 21st century warfare.

Coordinating with the Services' and Defense Information Systems Agency planners, USJFCOM's Joint Warfighting Center is responsible.

General NASH. New C4I systems are being investigated and evaluated in a variety of programs and activities. They include Joint C4ISR Battle Center assessments, Joint Experimentation Directorate experiments, Joint Tests and Evaluations, Advanced Concept Technology Demonstrations, Advanced Technology Demonstrations, etc. As systems demonstrate sufficient maturity they will be added to an appropriate joint exercise. The sponsors of any new C4 capability will coordinate integration efforts during exercise planning conferences and will pursue implementation in exercise site surveys, architecture design, and a series of JNTC technical integration tests. If a new C4I system meets minimum essential integration criteria during the test, the exercise Technical Director will provide final approval to employ the system during the execution phase of the exercise.

The instrumented environment provided by JNTC greatly enhances the ability of JFCOM and DoD agencies to baseline current C4I system interoperability and analyze new C4I system performance. In the June 2004 IOC event, interoperability of current C4I systems will be analyzed and baselined. This includes the Global Command and Control System (GCCS), the Theater Battle Management Core System (TBMCS), the Army Field Artillery Tactical Data System (AFATADS), and the Artillery Deep Operations Coordination System (ADOCS). The event will also focus on improving interoperability between Service capabilities to task, process, exploit, and disseminate intelligence, surveillance, and reconnaissance (ISR) information and the ability to create a Joint Data Network capable of sharing and fusing information from air, land, sea, and space sensors into a common tactical picture across component C2 nodes. Another area in which JNTC is making great progress is the implementation of collaborative information environments and tools into both training and operational arenas. Finally, over a dozen DoD agencies will leverage the JNTC

integration environment to demonstrate projects intended to improve joint C4I capabilities in the areas of data fusion, foliage penetration sensors, cruise missile defense, time sensitive targeting, enhanced laser range finders, coalition combat ID, the Cooperative Engagement Capability (CEC), and the evaluation of Patriot software upgrades.

(a) Coordinating with DISA and Service exercise planners, JFCOM is responsible for integrating C4I systems of record and new C4I systems into joint training exercises. In carrying out this responsibility, JFCOM exercise planners coordinate with the combatant commanders and component staffs and are aided by various JFCOM organizations including the Joint Battle Center, JFCOM J9, Joint Interoperability and Integration (JI&I) (JFCOM J8), and the Joint Interoperability Test Center. There are plans underway where new C4I systems will be assessed through the Joint Battle Management Command and Control (JBMC2) test and evaluation process. The JBMC2 joint test assessment strategy will facilitate the assessment of materiel and non-materiel aspects of the Family of Systems/System of Systems to ensure integration, interoperability, net-centricity, and information assurance in order to better enable the successful deployment of a joint warfighting force. The Joint Distributed Engineering Plant, JNTC, Distributed Continuous Experimentation Environment, Interoperability Technology Demonstration Center, JBC and other venues and capabilities will provide tools and opportunities to assess the performance of individual systems and the Joint Battle Management Command and Control Pathfinder Family of Systems/System of Systems while these systems are in development (i.e. prior to Milestone C).

General WEBER. The Army has and will continue to integrate all of its Army Battle Command System components into the JNTC network this year. This represents the Army's current tactical C4I systems.

(a) Within the Army, the National Simulation Center has the responsibility for coordinating the integration of all technical capabilities, including command, control, communications, computers, and intelligence (C4I) systems, into the Joint National Training Capability network.

Admiral HART. The JFCOM JNTC JMO has identified, prioritized, and established persistent training and communication hub sites to integrate the JNTC Joint Training Experimentation Network (JTEN) to Services training networks, based upon FY04 JNTC training events. The two Service Delivery Points for the Navy are located at the Tactical Training Groups associated with the Fleet concentration areas of San Diego, CA and Norfolk, VA. Leveraging off of existing C4I interoperability issues identified through testing conducted on the Joint Distributed Engineering Plant (JDEP) and the Navy DEP, workarounds are developed and deployed for the JNTC FY04 exercises with close examination of specific C4I interoperability issues being assessed and resolved during the technical integration testing conducted prior to each JNTC exercise.

JFCOM Joint War Fighting Center SIM/C4 Group has the responsibility to integrate legacy and new C4I systems for JNTC exercises. It accomplishes this responsibility in close collaboration with the Services.

General SEIP. JFCOM and Services are planning to make very modest changes as far as new C4I system integration into JNTC exercises this year. The JFCOM-led Technical Management Action Team (TM-1) Joint C4I Communications Systems is developing a roadmap for integrating legacy and new C4I systems into the joint training environment.

(a) JFCOM has the lead.

Dr. BAILEY. Marine Corps units will continue to train as they fight. The Marine Corps will continue to include all currently fielded, relevant C4I systems in the technical architecture of all future JNTC events. It is important that JNTC exercise C4I architecture does not enhance or replace the C4I capabilities of the exercise force but rather integrates with the training units? C4I systems that will be used in an operational environment.

(a) In the Marine Corps, Technology Division (TECHDIV) of the Training and Education Command (TECOM) is the lead coordinator for USMC JNTC exercise C4I technical architecture requirements. Commanders of the Marine forces participating in JNTC exercises are responsible for deploying with and employing their C4I assets.

Mr. HEFLEY. How will urban operation exercises be integrated into future JNTC events?

(a) How will this be coordinated?

(b) Will JFCOM devise the planning or will the Services be responsible for this; if so, who in the Army or Marine Corps is leading the charge?

Dr. MAYBERRY. We are conducting a study effort to develop an integrated, joint training roadmap to address Joint Urban Warfare needs under the JNTC Thrust



4 (Functional Training Strategies) initiative. One of my directorates, ODUSD (Readiness) (Readiness and Training Policy and Programs), is coordinating this project. USJFCOM (J9) and (J7), the Rand Corporation, and the Services are involved in this effort.

USJFCOM, as the Department's Executive Agent for Joint urban operations, is developing a roadmap for integrating urban operations into future events and is guided by the tenet that operations in this environment are a condition that can be established for many of the Joint tasks.

Responsibility for exercise planning is specific to the type of exercise. If it is a "horizontal training event" where the focus is on tactical forces, a lead Service will be established and they will lead the planning effort with the assistance of USJFCOM, which is responsible for the infusion of joint context into events. If it is a "vertical training event" where the focus is at the Combatant Command and/or the Joint Task Force (JTF) level, the planning lead will be the supported Combatant Command, again with the assistance of USJFCOM. If the event is an "integrated training event" where the focus of training is the functional or Service headquarters to tactical units, a lead Service or Joint Warfighting Center (JWFC) planner will lead the planning effort. In all cases, if the event is a JNTC exercise there will be a JWFC event planner assigned to ensure the exercise meets JNTC accreditation requirements.

General NASH. Operations in an urban environment are a condition that can be established for many of the Joint tasks. Training objectives for each Joint task are defined in terms of tasks, conditions, and standards that are tailored to the specific needs of the training audience. If their expected mission area has the potential to include operations in an urban environment, it will be included as part of that "condition" description and the exercise will be built with an urban environment in the scenario.

(a) Because the U.S. military increasingly faces operations in an urban setting, DoD is reexamining its urban warfare doctrine. JFCOM became the Executive Agent for Joint Urban Operations on January 1, 2003 and is developing a master plan to address the many issues associated with joint urban operations. As urban warfare concepts and new capabilities are developed, they will be integrated into JNTC-supported events for validation. Once operating in an urban environment is established as a condition within the training objective for a particular exercise, the exercise planners will build a scenario that supports this condition and the models constructed to simulate the urban environment, if required by the particular model. Role players will interact as if in an urban environment. For live forces, we will select specific ranges, such as the Ft. Polk range complex, to operate within a simulated urban environment.

(b) Responsibility for exercise planning is specific to the type of exercise. There are three types of JNTC exercise events categorized as "horizontal," "vertical," or "integrated." A horizontal event builds on existing Service interoperability training wherein a horizontal linkage is defined in the context of a military operation. That is, when conducting a military operation, different tasks (e.g. intelligence and fires) interact with one another to achieve the effects desired by the commander. A vertical event links component and Joint command and staff planning and execution. Vertical linkages connect related tasks between levels of war and illustrate how an inadequate capability at any level of war can impact the ability of a joint force to integrate that capability across the three levels of war. An integrated event enhances existing joint exercises by addressing Joint interoperability training in a Joint context.

If the event is a "horizontal training event" where the focus is on tactical forces, a lead Service will be established and they will lead the planning effort. If it is a "vertical training event" where the focus is at the Combatant Command and/or the Joint Task Force level, the planning lead will be the supported Combatant Command. If the event is an "integrated training event" where the focus of training is the functional or Service headquarters to tactical units, a lead Service or JFCOM will lead the planning effort. In all cases, if the event is a JNTC exercise JFCOM will ensure the exercise meets JNTC accreditation requirements.

General WEBER. During tactical training exercises the Army already integrates Urban Operations into training scenarios.

(a) The inclusion of Urban Operations into Joint National Training Capability (JNTC) training exercises is coordinated by the Operations Management team of the JNTC Joint Management Office at U.S. Joint Forces Command. This team insures that the input from the Regional Combatant Commanders on joint training requirements, for instance Urban Operations, is included in the guidance for designing the upcoming JNTC exercises.

(b) Currently JFCOM passes the joint training requirement for Urban Operations training to the Services and then the Services plan the actual training. In the Army, this training is currently being lead by our Combat Training Centers working in close coordination with the Center for Army Lessons Learned, ensuring that the most recent combat lessons are integrated into the Army's training as soon as possible.

Admiral HART. JFCOM is the executive agent for joint urban operations and is developing a master plan to address the many issues associated with joint urban operations. A JNTC Horizontal Training Event (HTE) will be conducted at the Joint Readiness Training Center (JRTC) in conjunction with an Air Warrior II exercise in August 2004. This event will provide a training venue to conduct joint close air support and joint operations in an urban environment supporting an Army Unit of Action as part of its Mission Rehearsal Event. A number of joint experimentation pathway events are filtering into Joint Urban Warrior including co-sponsored war games like the Navy's Unified Course 04 and the Army's Unified Quest.

The JFCOM Joint War Fighting Center (JWFC) JNTC event planner will draft joint training objectives for urban operations as an exercise condition and standard to be incorporated into the Master Events Scenario List.

The planning for specific exercises will depend on the type of exercise. For HTEs, the focus is on tactical forces, and a lead Service will be established to lead the planning effort. Vertical Training Exercises are focused at the Combatant Command and/or the Joint Task Force level, so the planning lead will be the supported Combatant Command. Integrated training exercises focus of training is the functional or Service headquarters to tactical units, and a lead Service or JWFC planner will lead the planning effort. A JWFC event planner will be assigned to all JNTC exercises to ensure the exercise meets specific accreditation standards.

General SEIP. The Center for Naval Analysis (CNA) is conducting a study to consider how urban operations, humanitarian relief operations, information operations, etc., can be incorporated into JNTC exercises. In the meantime, vignettes like urban close air support have been incorporated into JNTC mission rehearsal exercises like the Aug 04 Joint Readiness Training Center exercise at Ft. Polk, LA, for a deploying Army unit of action.

(a) These unique operations will be incorporated into the scenario at normal exercise planning conferences.

(b) JNTC exercise planning is a collaborative process. Depending on the exercise, either JFCOM or the Service with the most equity, will take the planning lead for that exercise. For the Air Force, Air Combat Command normally has the planning lead.

Dr. BAILEY. Integrating current service Title X urban environment training exercises into JNTC events is no different from the process already used to integrate service exercises into JNTC events. The first step is the identification of desired training objectives within Joint Tactical Tasks (JTTs) particular to or associated with the urban environment to form the focus of training. The exercise scenario is then designed to create an opportunity to exercise those training objectives within the JTT's; the exercise force conducts operations as required within the context of the inherent tasks and challenges presented in the scenario. The desired training audience and specific training objectives/JTT's to be exercised help determine the joint force participation required and the overall construct of the JNTC event whether it is a JNTC Horizontal, Vertical or Integrated exercise.

(a) JNTC exercises should be focused on service pre-deployment training to the maximum extent possible. Marine Corps pre-deployment training consists of; basic urban skills, combined arms live fire, and stability and stabilization operations training. Procedures are presently in place for JFCOM JTNC event nomination planning. Once JTT's/specific training objectives are approved and agreed upon by JFCOM and the respective services, events exercising JTT's of an urban operations nature can be planned and executed as described above.

(b) The vast majority of JNTC funding resides with JFCOM, therefore JFCOM, in close coordination with the services, leads the JNTC planning effort and provides required resources for execution of JNTC events.

Mr. HEFLEY. Within your individual Service, how do you plan to integrate training and combat systems to allow interoperability with the other Services? What actions will be necessary to ensure your Service fully participates in the three remaining JNTC exercises in fiscal year 2004?

Admiral HART. The Battle Group In-port Exercises (BGIE) series will continue to be the cornerstone of Navy training. We will incorporate joint assets including live C4I systems with simulation and stimulation systems from other Services into our training architecture. Battle Force Tactical Training and Fleet Aviation Simulator Trainers networking developments will enable advanced integrated tactical training



opportunities during Joint training events. The Navy will continue the use of distributed Modeling and Simulation standards supported by JFCOM to enhance interoperability, such as High Level Architecture and Distributed Interactive Simulation. Navy will use the Navy Training Meta Federated Object Model connected with JFCOM Joint Federated Object Model, which is currently under development. We will also integrate the F-18 federation at Lemoore to play in USAF Virtual Flag and combined JNTC events.

Following is a description of Navy participation in the three remaining JNTC exercises for fiscal year 2004. As with all JNTC functions, Navy is working closely with JFCOM and the other Services to ensure full participation in all joint training events.

(1) CJTFEX 04-2 is a combined/joint exercise within the Chairman's Exercise Program and identified as a JNTC Integration Training Event that will be executed by C2F in June 2004. The majority of participating forces are Navy.

(2) JRTC/AW II, Aug 04, is a JNTC Horizontal Training Event that traditionally encompasses an Army brigade's Combat Training Center rotation supported by Air Warrior II, close air support, and tactical airlift. With the recent modification of exercise objectives, current Navy participation in this exercise will be minimal. Navy will work closely with the other Services and JFCOM to determine the appropriate level of Navy participation in future JRTC/AW II exercises.

(3) Determined Promise, Aug 04, is a NORTHCOM Homeland Defense (HLD) exercise. The Navy is participating with live and virtual forces in direct support of NORTHCOM as the Maritime Component Commander NAVNORTH. The Navy is currently investigating the possibility of integrating its Anti-Terrorism/Force Protection (AT/FP) exercise, Solid Curtain, into the DP04 exercise scenario.

General SEIP. The Air Force is well on the way integrating training and combat systems which also allow interoperability with other Services—the program is called Distributed Mission Operations (DMO).

The other Services routinely participate in our DMO Virtual Flag exercises. Examples of this interoperability training include training with the Navy Battle Force Tactical Trainer and E2C C2 platforms, the Army's Patriot Missile Defense Systems as well as Special Operations Aviation Regiments.

(a) The Air Force is fully engaged in the planning of the remaining three JNTC exercises in FY04 and plans to provide forces and funding to ensure their success.

Dr. BAILEY. Clearly defined joint tactical tasks (JTTs) will ensure that the Marine Corps trains and equips to meet established joint standards. With regards to C4ISR interoperability, the Marine Corps will seek to support emerging training and operational interoperability concepts such as the Battle Management Language. In the near term, however, we will continue to support the C4ISR and training system data standards that are being championed by JFCOM just as we did at the January 2004 JNTC Event.

(a) The Marine Corps intends to participate in the remaining JNTC exercises this fiscal year, however operational requirements have necessitated the downsizing of unit participation and the use of Marine Forces Reserve to fulfill service JNTC exercise requirements. With the current deployment schedules in support of real world operations, we need to ensure the JNTC exercises are meeting well-defined training requirements for those deploying forces.

Mr. HEFLEY. What kind of bandwidth constraints, radio frequency, and spectrum management issues did your Service encounter during the January exercise? How did your Service handle these issues? Do you foresee these issues arising at the next JNTC exercise? How will your Service be better equipped to handle them?

Admiral HART. The Navy participated in the Western Range Complex JNTC January 2004 event with live, virtual, and constructive forces. At this time, there are no known electromagnetic spectrum issues that directly affected participating Navy units during that exercise.

Due to the extensive planning and technical testing taking place prior to CJTFEX 04-2 execution, it is believed that all such issues will be identified and resolved or alternative solutions established and deployed. The Navy will continue to use the Navy Distributed Engineering Plant (DEP), JDEP, Joint Battle Center, Battle Group Interoperability Testing, JNTC Live-Virtual-Constructive Laboratory (when constructed) and lessons learned during joint/combined training exercises in identifying and resolving electromagnetic spectrum issues. In addition, the sea trial process will provide a venue for testing and experimentation that was formerly conducted in Fleet Battle Experiments.

General SEIP. JNTC exercise 04-1, at the Western Range Complex, has been deemed a successful first step in JNTC planning and execution. It is also important to note that during the exercise there were no identifiable problems or incidents on the "JNTC network" relating to bandwidth constraints. Prudent pre-exercise plan-

ning limited the degree and use of range instrumentation digitized video during the exercise, thereby precluding a bottleneck in data flow and interference with modeling and simulation application. No mission impact to the exercise was realized because the digitized video was part of a technology demonstration, and not required in the exercise execution.

However, a problem was encountered with real world classified network (SIPRNET) capacity between Nellis AFB and other JNTC exercise locations. In addition to real world support requirements, it was decided that the Nellis SIPRNET would be tasked to provide access to the exercise air operations center command and control application databases remotely hosted at Hurlburt Field Florida. Despite pre-planning efforts, there was no historical data to use in determining the amount of bandwidth that would actually be required for the exercise over the SIPRNET at Nellis, as well as between Nellis and the other exercise locations. As a result, a modeling and simulation application failed to maintain connectivity to the command and control database at Hurlburt, which in turn impacted a portion of the "air war" segment of the exercise.

Additionally, during the exercise some radio communications were limited due to gaps in radio coverage. These gaps were not due to any bandwidth or radio frequency spectrum management issues; all required radio frequencies were available. The coverage gaps were caused by natural terrain hindrances and operational considerations such as the number of "repeaters" and their placement throughout the exercise footprint.

(a) The SIPRNET bandwidth issue stemmed from the communications and information architecture employed during the exercise. The architecture in turn determined the configurations between supporting networks, and resulted in inefficient use of the available bandwidth, thereby multiplying the amount of exercise related traffic being carried over SIPRNET. There were ongoing coordination efforts during the exercise to attempt to mitigate the bandwidth issue; however, resolution of the situation would have required obtaining additional bandwidth or changing the exercise communications and information (C&I) architecture and reconfigure the network. Neither of these options was viable in this situation due to the lead-time required for obtaining additional bandwidth, as well as the downtime required for re-configuration.

(b) Bandwidth and frequency/spectrum management support have been part of JNTC exercise planning and will continue to be refined and improved in planning for future exercises. This event was the first horizontal (service-to-service) interoperability exercise of this scale, and the bandwidth and spectrum lessons learned are already being applied in planning for the next exercise scheduled for Aug 04. The goal is to take full advantage of JNTC capabilities in future events and establish a permanent JNTC communications architecture, with sufficient bandwidth capable of achieving established training transformation objectives. Lessons from IOC events will be utilized to determine FOC requirements.

(c) Matching exercise C&I architectures and configurations with the capabilities of supporting networks will improve network interoperability, reliability, and sustainability. More detailed preplanning to include realistic projections of bandwidth requirements will help to ensure the availability of the needed capacity, either on a temporary or permanent basis. Adjustments have been made to the JNTC exercise preplanning process to better address bandwidth issues.

Dr. BAILEY. In January 2004, the long-haul network infrastructure was funded by JFCOM directly. The problems that the Marine Corps encountered had to do with local (on-base) network bandwidth. Radio frequency and spectrum management also required extensive coordination and planning. All of these challenges were met.

(a) After determining the baseline requirement for network infrastructure, we added network capacity on the ranges as well as on base. We accomplished this by adding redundant capacity between specific buildings and systems. We performed spectrum management by first determining the requirement and then by maximizing our use of the spectrum that was available. We ran out of radio frequencies to assign to both the training unit and the JNTC exercise additions.

(b) The network capability will continue to be an issue until we buy and install everything that we need at every Marine Corps base and station where JNTC events will be held. Spectrum issues will only be solved by new technology, enabling us to be more efficient with the spectrum we can use for training.

(c) We have the luxury of hindsight as we prepare for all future JNTC events. This ensures that we will be able to consider the ramifications of these problems during the early stages of the planning process for JNTC events. Further, we are planning on upgrades to our on-base capabilities that will preclude as many of these problems as possible in the future.



Mr. HEFLEY. Who is in charge of systems (such as command, control, communications, computers, intelligence, surveillance, and reconnaissance systems) within your Service? Do you receive guidance from your top military communications officer as to what standards and protocols will be used during JNTC exercises?

Admiral HART. The Deputy Chief of Naval Operations (Warfare Requirements and Programs) and Commander, Naval Network Warfare Command (COMNAVNETWARCOM), are in charge of systems (such as command, control, communications, computers, intelligence, surveillance, and reconnaissance systems) within the Navy.

JFCOM Joint War Fighting Center SIM/C4 Group provides the standards and protocols for exercise modeling and simulation and networks for JNTC Exercises. Navy's senior leadership is highly supportive of this critical transformational process.

General SEIP. In the Air Force, Major Commands (MAJCOM) Operations Directories (DO) organize, train, equip, and provide forces for Combatant Commands. Air Force Deputy Chief of Staff for Air and Space Operations (HQ USAF/XO) provides policy and oversight of operational readiness for the Air Forces, which includes the Theater Air Control System (TACS).

(a) During JNTC events, JFCOM/J6 provides guidance on protocols and standards in the Communications Plan (COMPLAN).

Dr. BAILEY. The Director, Command, Control, Communications, and Computers (C4) at Headquarters, Marine Corps serves as the DoN Deputy Chief Information Officer (DCIO USMC) and as the Marine Corps CIO. The Marine Corps CIO is responsible for planning, directing, coordinating, and overseeing C4 and information technologies capabilities that support the warfighting functions of the Marine Corps. C4 influences the combat development process by establishing policy and standards for developing the enterprise architecture. The Director's intent is to achieve Joint and combined interoperability.

The Intelligence Director at Headquarters, Marine Corps is responsible for the required operational capabilities for intelligence collection and processing, to include reconnaissance and surveillance (less target acquisition) systems.

The Marine Corps Systems Command serves as the principal Marine Corps agent for acquisition and sustainment of systems and equipment used by the Operating Forces to accomplish their mission.

The Marine Corps is fully engaged in ensuring guidance and direction provided across the Marine Corps is in compliance with joint standards. The Director of the C4 Department is the senior USMC communication officer billet. As such, the Director has direct influence on the development and dissemination of policy pertaining to standards and protocols. This arrangement provides a direct pipeline between the top USMC communication officer billet and the standards/protocols used. C4 is the integration point for joint activity and is actively engaged in the joint arena.

Mr. HEFLEY. What is your Service's strategy to incorporate new technologies into other JNTC exercises? How will JNTC be used as a proof of concept testing or evaluation for new technological developments? Who is responsible for this issue within your Service?

Admiral HART. The Navy continues to enhance the capabilities of its distributive operational training environment with the development and integration of new technologies such as the Fleet Aircrew Simulation Training, Submarine Multiple Mission Team Trainer and Joint Semi-Automated Forces. These new technologies are increasingly available to JNTC Multiple Battle Group In-port Exercises as the Navy refines its Modeling and Simulation Federated Object Model. Advanced Concept Technical Demonstrations and new technologies associated with programs of record and sea trials conducted in conjunction with JNTC exercises will be accessible to JFCOM from Navy RDT&E sites. Navy Warfare Development Command will capture sea trial experiment lessons learned and relevant lessons learned will be forwarded by Fleet Forces Command (FFC) to JFCOM for JNTC consideration. In addition, Task Force SIM is studying alternative acquisition strategies and the use of simulation to enhance training.

The integration of JNTC exercise lessons learned will enhance the Navy's analysis and assessment in proof of concept testing, and the evaluation of new technologies as Advanced Concept Technology Demonstrations or as program of record during its Operational Test and Evaluation phases. JNTC will provide the joint operational environment and infrastructure critical to test & evaluation throughout the entire program acquisition life cycle.

FFC has cognizance through the sea trial process over Navy Concept Development and Experimentation.

General SEIP. The Air Force looks at all venues where new technologies could be inserted. Generally, the service does not want to impact training on current systems

and procedures and therefore primarily uses venues such as Joint Expeditionary Force Experiment, a large-scale field experimentation exercise, to insert new technologies into a realistic war-fighting environment. The responsible Air Force point of contact is the Air Staff Innovation Division, AF/XIIV.

Dr. BAILEY. The Marine Corps is enthusiastic about incorporating any new technology into our training events, regardless of whether they are JNTC related or not.

(a) While the Marine Corps is focused on using JNTC events as true training events for our forces, there are obvious opportunities for experimentation, testing, and evaluation of systems, tactics, concepts during the course of any JNTC event. We will look to maximize those opportunities as appropriate. Within the Marine Corps, the responsibility for managing this effort falls upon the Training and Education Command (TECOM).

#### QUESTIONS SUBMITTED BY MR. MILLER

Mr. MILLER. Admiral Hart, today more than ever the USN, USMC, and the USCG rotary wing communities are using Night Vision Devices (NVDs) as a force multiplier and extension of their weapon systems in their day-to-day operations. Night flying with an NVD has become a requirement rather than a nice to have capability. I understand that CNATRA is considering adding NVD training to the Advanced Helicopter syllabus at NAS Whiting within their current syllabus hours. CNATRA feels that this will produce an aviator more experienced in operating with NVDs prior to arrival at the Fleet Replacement and Fleet Squadrons (FRS). Do you agree with this approach as a way to provide this important training in an environment dedicated to pilot training to enhance and complement the more advanced training received at the FRS?

Admiral HART. Since NVD use is now considered a basic primary flying skill in the helicopter community, it is appropriate to build this skill during primary rotary flight training at CNATRA. It is also a fiscally responsible method to introduce this skill to a helicopter pilot. Cost per flight hour in a TH-57 is about one-fourth the cost per flight hour of the H-60. The planned CNATRA NVD syllabus changes three (current) night training sorties into NVD fights, resulting in providing this important training skill without increasing flight hours.

Mr. MILLER. Brigadier General Norman Seip, as you know, joint training is really the key these days. It appears to work better on many levels including costs and facility usage. I know you train a small number of Air Force helicopter pilots at Ft. Rucker. Can you tell me if that works well for the Air Force mission? I mean, as far as joint training goes, is that an ideal environment for the Air Force to conduct joint training?

General SEIP. Our partnership with the Army for initial helicopter training at Ft. Rucker has been very successful. We have met all of our training goals and the interaction our AF trainees have had with their Army counterparts has been instrumental in our ability to incorporate the best of both worlds into the current training regime. The facilities at Ft. Rucker are world-class and the surrounding ranges provide us the capability to train all of our required syllabus items. We remain committed to this partnership with our sister service and have no plans to change the current training arrangements.

#### QUESTIONS SUBMITTED BY MR. SAXTON

Mr. SAXTON. Anybody else want to talk about SOF? What kind of bandwidth constraints, radio frequency and spectrum management issues did you encounter during the January exercise and how did your service handle these issues? Do you foresee these issues arising in the next JNTC exercises, and how will your service be better equipped to handle them? I read that just like my staff wrote it. How about that?

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**FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—PREPOSITIONING EQUIPMENT PROGRAMS OF THE U.S. ARMY AND THE U.S. MARINE CORPS**

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HOUSE OF REPRESENTATIVES,  
READINESS SUBCOMMITTEE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC, Thursday, March 24, 2004.*

The subcommittee met, pursuant to call, at 2:03 p.m., in room 2118, Rayburn House Office Building, Hon. Joel Hefley (chairman of the subcommittee) presiding.

**OPENING STATEMENT OF HON. JOEL HEFLEY, A REPRESENTATIVE FROM COLORADO, CHAIRMAN, READINESS SUBCOMMITTEE**

Mr. HEFLEY. The committee will come to order.

Good afternoon and welcome to the subcommittee hearing on Prepositioned Equipment Programs of the United States Army, and the United States Marine Corps.

The U.S. military stores are prepositioned military equipment and supplies near potential conflict areas to ensure that the material is quickly available to forces in the event of a crisis. During a crisis, prepositioning speeds U.S. response times because it decreases the amount of equipment required to be transported by air or sea.

While this concept is not new, it has gained importance due to the nature and frequency of military operations during the last decade, and most recently in OPERATION ENDURING FREEDOM and OPERATION IRAQI FREEDOM.

Today, we will hear from representatives of the U.S. Army, the United States Marine Corps, the General Accounting Office and the RAND Corporation.

The principle objective of this hearing is to receive testimony on the Army and Marine Corps prepositioned programs.

We are interested in recent performance of the prepositioned equipment in OPERATION ENDURING FREEDOM and OPERATION IRAQI FREEDOM, as well as the initial lessons learned from these ongoing operations.

We understand that a majority of this equipment has been used to support our troops in battle. We have been told that it will take several years to reconstitute all the prepositioned equipment and supplies used.

We also have heard that in order to properly reconstitute the prepositioned equipment used in OPERATION IRAQI FREEDOM, the bill will run into the billions of dollars.

Currently, the majority of this bill is not funded in either the fiscal year 2004 supplemental or the fiscal year 2005 President's budget request. We would welcome the observations from our panel today on how to address this shortfall.

Finally, we look forward to hearing testimony today on the future strategies and plans for prepositioned equipment.

Both the Army and the Marine Corps have identified changes in their programs in order to improve, not only their capability, but also the response time in the event of crisis.

I will turn now to the gentleman from Texas, the Honorable Solomon Ortiz, and ask for his opening remarks.

**STATEMENT OF HON. SOLOMON P. ORTIZ, A REPRESENTATIVE FROM TEXAS, RANKING MEMBER, READINESS SUBCOMMITTEE**

Mr. ORTIZ. Thank you, Mr. Chairman. I thank you for having this hearing today and I join you in welcoming our panel this afternoon. This is a very important issue, and I look forward to hearing each of your testimonies.

The recent war in Iraq has shown that the concept of prepositioning forces has come of age. It has greatly increased our strategic responsiveness and our ability to rapidly deploy significant kinds of power around the world and is an important part of helping to ensure global stability: It is a formidable deterrent to would-be regional aggressors.

They know they cannot achieve their aims before heavy United States forces appear on the battlefield. And should deterrence fail, the timely arrival of those heavy forces would swiftly defeat that aggression before it becomes a full-scale crisis.

That our prepositioned forces worked so well in Iraq is a testament to the skill and dedication of our service men and women and our civilian workforce that put them together well before the war.

It is also a testament to the training of the warriors who drew that equipment and used it to fight on to Baghdad.

But as you know Mr. Chairman, it will be sometime before our prepositioned forces are reconstituted. In an uncertain world, this represents some strategic risk. I would be interested to hear from our panel today what steps they are taking to mitigate that risk.

I am particularly concerned about the adequacy of funding in this year's budget and on that whole capacity to support a timely reconstitution.

Furthermore, I would like to hear how the Army and Marine Corps will apply the lessons learned in Iraq to increase the effectiveness of our prepositioned assets in the future.

And gentlemen, thank you for being with us and I look forward to your testimony.

And I thank you, Mr. Chairman.

Mr. HEFLEY. Thank you, Mr. Ortiz.

First, let me introduce the panel.

Brigadier General Jerome Johnson, Director for Plans, Operation and Readiness for the Department of the Army; Brigadier General Kevin Ryan, Director of Strategy, Plans and Policy for the Department of the Army.



And I understand, General Ryan, you are not going to be testifying unless asked questions? Is that correct?

General RYAN. Yes, sir.

Mr. HEFLEY. Okay.

Brigadier General Robert Neller, Director, Operations Division, Plans, Policy and Operations for the U.S. Marine Corps; Mr. Eric Peltz, Associate Director, Military Logistics Program, RAND Corporation; and Mr. William Solis, Director of Defense Capabilities and Management for the U.S. General Accounting Office.

And let us start with Brigadier General Johnson.

We will start with you.

Without objection, your entire written statements will be put in the record.

**STATEMENT OF BRIG. GEN. JEROME JOHNSON, DIRECTOR FOR PLANS, OPERATIONS AND READINESS, DEPARTMENT OF THE ARMY; BRIG. GEN. KEVIN T. RYAN, DIRECTOR OF STRATEGY, PLANS AND POLICY, DEPARTMENT OF THE ARMY; BRIG. GEN. ROBERT B. NELLER, DIRECTOR, OPERATIONS DIVISION (PO), PLANS, POLICY AND OPERATIONS, U.S. MARINE CORPS; MR. ERIC PELTZ, ASSOCIATE DIRECTOR, MILITARY LOGISTICS PROGRAM, RAND CORPORATION, ARROYO CENTER; AND MR. WILLIAM M. SOLIS, DIRECTOR, DEFENSE CAPABILITIES AND MANAGEMENT, U.S. GENERAL ACCOUNTING OFFICE**

General JOHNSON. No objection.

Thank you, Mr. Chairman. It is my pleasure to be here today and report to you on the Army Prepositioned Stocks and Operational Project Stocks.

First of all, I would like to add that in addition to General Ryan, we also have Mr. Gary Motsek with us.

He is from Army Materiel Command (AMC), the command which actually executes the maintenance, repair and issuing of the prepositioned stocks for the Army.

I would also like to thank you for the past Congressional support of the battle part of the Army's Power Projection Program.

Since OPERATION DESERT STORM ended in 1991, increased funding has brought our prepositioned stocks to the state of readiness that allowed us to issue several thousand vehicles. In fact, this is the largest issue and employed manner of prepositioned stock in its history.

Due to its operation, we issued over 17,000 pieces of rolling stocks: trucks, tanks, trailers and so forth; 218 unit sets; 124,000 sets, kits and outfits; and the largest recipient of that equipment was the 3rd Infantry Division (ID), which received three brigade sets of equipment, including 252 Abrahms tanks, 325 Bradleys, and multi other combat support equipment.

This allowed the 3rd I.D. to walk off airplanes in Kuwait and immediately give the Joint Task Force commander significant combat power in a matter of days, instead of waiting for weeks for the equipment, that division's equipment to make an ocean transit from Georgia.

The Army prepositioned stocks (APS) support the national military strategy by prepositioning critical warfighting equipment and sustainment stocks in strategic locations worldwide.

Prepositioning of materiel reduces the deployment response required for an expeditionary army; this program is evolving from its Cold War mission of large amounts of equipment and supplies stored in central Europe to tailored sets deployed ashore and afloat in three regions to better support our regional combat commanders.

Our current Program Objective Memorandum (POM) requires by the end of 2006, which may be moved to the right, because this equipment is continued to be used during the current conflict, requires that we have three Army flotillas stationed in the Mediterranean, the Indian Ocean, Pacific Ocean and on land in South-west Asia, Korea and Europe.

This new strategy will allow us to geographically disperse the equipment and be more flexible and responsive to the combatant commanders' requirement.

The three Army regional flotillas will make up the full portion of our prepositioned program and will be sited near Guam/Saipan, Diego Garcia, and the Mediterranean Sea.

At the core of each flotilla are two large and medium-speed, roll-on, roll-off vessels. One of these vessels contains the brigade set consisting of equipment for one armored and one mechanized infantry battalion, a round out assortment of brigade combat support and combat service support units, 15 days of supplies, and unit basic loads.

The second of these vessels will contain equipment for supporting units normally found at corps level. The third vessel, a shallow draft, roll-on/roll-off ship will provide the capability to conduct humanitarian assistance and disaster relief operations.

Finally, each flotilla will include a forward ship for sustainment. A fifth ship, loaded with ammunition sufficient to provide 30 days of supply for 2 1/2 divisions.

The Army faces significant funding challenges as it resets and converts to modern units, but recognizes that the prepositioned stocks must also be reset, repositioned and be ready for tomorrow's challenges.

The performance of the APS stock during this conflict was as expected; it had challenges, but it adequately met the requirements of the combatant commanders.

Some of the challenges that we faced are modernization, adequacy and design of prescribed load list (PLL) and authorized stock level (ASL) and stockage and fuel of the Army War Reserve Secondary Items.

I have submitted a full testimony for the record. I thank you again for this opportunity to appear before you and look forward to working with all of you.

I would be happy to take your questions at an appropriate time. Thank you.

[The joint prepared statement of General Johnson and General Ryan can be found in the Appendix on page 459.]

Mr. HEFLEY. Thank you.

Brigadier General Neller.

General NELLER. Mr. Chairman, I have submitted my testimony for the record.

I don't have an opening statement other than to say the Marine Corps continues to thank this committee and the Congress of the United States for their continued support of their Marines and sailors deployed.

I look forward to your questions.

[The prepared statement of General Neller can be found in the Appendix on page 472.]

Mr. HEFLEY. Mr. Solis.

Mr. SOLIS. Mr. Chairman, members of the subcommittee, thank you for the opportunity to discuss our preliminary observations on logistical issues related to OPERATION IRAQI FREEDOM, focusing on prepositioned reserves of military equipment and supplies.

My statement today is drawn from ongoing work as well as previously published reports.

As requested, my testimony today will focus on the performance, reconstitution of future Army and Marine Corps prepositioning programs. My message this afternoon has three main points.

First: prepositioning was a key to the success in OIF, although the Army faced some challenges.

Second: reconstitution, when it happens, may be very costly.

And third: the DOD, the Army, and Marines face several issues in the near and long term as they consider prepositioning's future.

With regard to my first point, the importance of prepositioning of stocks was dramatically illustrated during OIF.

While they faced some challenges, the Army and Marine Corps relied heavily upon prepositioned combat equipment and supplies and reported that these stocks were a key factor in the success of OIF. Prepositioned stocks provided a significant amount of combat equipment used by the Army and Marine Corps.

For example, the Army issued more than 10,000 pieces of rolling stock and thousands of pieces of additional other equipment during OIF.

For the most part, the prepositioned combat systems were in good condition and reportedly maintained high readiness rates throughout the war.

However, some of the Army's equipment was less than modern and there were shortfalls in some equipment, such as trucks and spare parts and other items.

Moreover, the warfighters did not know what prepositioned sustainment stocks were available in theater, apparently, worsening an already overwhelmed theater of supply distribution system. While these challenges were not insurmountable to the units, they did slow them down.

Fortunately, the long time available to build up allowed U.S. forces to fill many of the shortages and adjust to unfamiliar equipment.

In regard to my second point, it will be several years before reconstitution of the Army and Marine Corps prepositioned stocks occurs because of much of the equipment is still being used to support continuing operations in Iraq.

For example, the Army has reissued over 11,000 pieces of equipment; much of that was downloaded for OIF and remains in Ku-



wait. The Marine Corps also had a significant amount of equipment still in use in OIF.

However, when the equipment is no longer needed there and reconstitution begins in earnest, our decision will have to be made whether to repair it, replace it with existing equipment, or replace it with new equipment.

Since much of the prepo equipment is still in Southwest Asia, it is unclear how much of the reconstitution funding will be needed in the near term for the Army and Marine Corps for prepositioned programs; but it is clear that there is a significant bill that will have to be paid at some point in the future.

A few months ago, the Army had previously identified an unfunded requirement of over a billion dollars for reconstituting of prepositioned equipment used in OIF.

However, since most of the prepositioned equipment is still in Southwest Asia, it has not been turned back over to the Army materiel accounting for reconstitution; most of that funding is not required at this time.

My third and last point is that DOD and the services face many issues as they rebuild the Department's prepositioning program and make plans for how stocks fit into the future.

In the near term, while it may be several years before most of the prepositioned assets are available to fully reconstitute the Army's program, the Army has opportunities to address some long-standing problems, mitigate risks and improve readiness by one, addressing shortfalls in afloat and current prepost stocks; two, modernizing equipment to better match home-stationed equipment and better operational needs; and three, planning and conducting training to practice drawing and using prepositioned stocks, especially afloat stocks.

For the longer term, the Department and the services may need to consider three additional issues.

First, rethink the prepositioning programs to ensure that they are in sync with overall transformation goals and the evolving military strategy. Perhaps it is time for DOD to go back to the drawing board and ask, "What is the military trying to achieve with these stocks and how do they fit into future operational plans?"

Second, establish sound prepositioning requirements that support joint expeditionary forces. Some change is already underway. For example, the Army and Marine Corps are pursuing sea-basing ideas, where prepositioning ships could serve as floating logistics bases.

Third and last, ensure that the program is resourced commensurate with its priority and is affordable, even as the forces transform. The massive drawdown of Army forces made prepositioning a practical alternative in recent years because the service equipment was available from downsizing.

However, as the services' equipment is transferred or recapitalized, it may not be practical to buy enough equipment for units to have one set at their home station and deploy onto another set of prepositioned equipment.

Consideration of cost of various options will be critical as the Department evaluates the alternatives for transforming its force structure to achieve future mission objectives.



Congress will have a key role in reviewing the Department's assessment of cost effectiveness of options that support DOD's overall mission, including mobility and force projection.

This concludes my prepared statement. I will be happy to answer questions at the appropriate time.

[The prepared statement of Mr. Solis can be found in the Appendix on page 498.]

Mr. HEFLEY. Thank you.

Mr. Peltz.

Mr. PELTZ. Mr. Chairman and members of the subcommittee, thank you for inviting us to testify today.

RAND's Arroyo Center is the Army's federally funded research and development center for studies and policy analyses. Over the last few years, we have analyzed concepts for transforming the capabilities the Army offers for power projection.

This includes how prepositioning might be leveraged as part of a three-pronged strategy for future forces, which will be the focus of my testimony today.

During the Cold War, the Army evolved into a powerful force designed and stationed to counter the dominant threat. While light forces provided some strategic flexibility and were well-suited for many roles, they were without much firepower or ground mobility.

In the years since, the dominance of one threat has been replaced by great unpredictability, placing a premium on flexible, strategic responsiveness across the spectrum of defense capabilities.

This, combined with new emerging warfare concepts to create the foundation for Army transformation, will affect almost every aspect of the Army, including prepositioning.

There are three interlocking levers for improving strategic responsiveness. First, force design. What are the units and sustainment requirements to accomplish the mission?

Second, lift and port capabilities. At what rate can forces and supplies be moved?

And three, force positioning. How far do units or their equipment and supplies, or the complete units themselves, have to be moved?

Finally, I will briefly illustrate the new relationships among these three levers for focus on one needed early entry capability, mobile armored ground forces. In the area of force design, the Army's drive to transform started with an emphasis on developing forces that can deploy more rapidly than its traditional heavy forces, yet can provide more combat power than its light units.

Future force plans center around the future combat systems, unit of action that will be mobile, lethal and survivable, yet deployable in as little as 96 hours, which will go a long way toward eliminating the traditional tradeoff between response time and combat power.

To achieve some of the desired capabilities more quickly, the Army is fielding Stryker Brigade Combat Teams. SBCTs are about half the weight of Army heavy units, yet offer significantly more combat power than lighter units. Critically, air deployment is a viable, valuable option for SBCTs, in contrast to Army heavy units.

Now I turn to airlift and airfield capabilities, which can be important for the deployment of SBCTs in situations where deployment time is critical.

For any combination of deployment distance, force size, and airfield throughput capability, one can determine the number of aircraft needed to fill the air bridge and minimize deployment time.

For extreme distances, it takes many aircraft to fill this bridge. So, to support rapid deployments from the continental United States to places like central Asia, it takes very large numbers of aircraft.

Conversely, when the route is short, speed becomes primarily a function of airfield throughput and the number of required flights; the aircraft demand much lower. The constraint instead will often be airfield capacity. The design of the SBCT has lessened this constraint somewhat.

During the first SBCT air deployment exercise, turn times at the arrival airfield averaged just 27 minutes, or one-fourth the traditional planning time. During the initial phase of a deployment, virtually all Stryker Brigade flights only had wheeled vehicles, which can quickly drive out of military aircraft as soon as the ramp hits the ground.

Additionally, the relationship between distance, force size, throughput and airlift requirements, combined with the weight of a Stryker Brigade, has implications for the value of forward positioning, unit basing, and prepositioning.

While light enough for air deployment to provide value, a Stryker Brigade deploying from the continental United States still requires 35 to 50 percent of the U.S. strategic airlift fleet for rapid deployment.

Deployment from a forward unit base, whether permanent or temporary forward deployment, while just slightly faster in some cases, would reduce the strain on airlift to only 10 to 20 percent of the strategic airlift fleet, offering the ability to simultaneously deploy other capabilities in conjunction with the Stryker Brigade.

The same degree of value would not accrue for a heavy force because the air deployment time would still be lengthy.

An alternative to forward unit basing is the prepositioning of its equipment. With the cost of procuring full brigade sets of Stryker equipment, developing the future force, and recapitalizing current equipment on the horizon, the Army initially assumed that prepositioning Stryker equipment would be too expensive.

But this was based upon the traditional concept of prepositioning full brigade sets.

A more affordable approach, now incorporated in Army plans, is to preposition only the less expensive equipment, such as trucks and other support assets. Then the higher cost assets, such as the Stryker, could be deployed by air.

This reduces airlift requirements by about 60 percent, for only about 10 percent of the brigade's total procurement costs.

The SBCT in the future, future combat system (FCS) unit of action, are examples of force designs that provide combatant commanders with new expeditionary capabilities. The value of such forces to expeditionary warfare can be further enhanced by positioning them or their equipment overseas.

Given the swiftness of response desired, the limits of force design options, the cost in technical hurdles of future air and sea lift, and uncertain with regard to threats, prepositioning appears to have a

critical role to play in the flexible strategic response strategies of the future.

It is a valuable option for improving the deployability of initial forces in large operations, both combat and theater opening packages and for improving their ability to quickly and decisively respond to small-scale contingencies.

This concludes my remarks.

[The prepared statement of Mr. Peltz can be found in the Appendix on page 485.]

Mr. HEFLEY. Thank you very much.

Mr. Ortiz.

Mr. ORTIZ. Thank you so much for being with us today and General, your testimony and root statements indicate that it would take several years to reconstitute all the equipment and supplies to rebuild our prepositioned assets.

Why will reconstitution take so long?

Maybe you can give us a little input into that.

General JOHNSON. Well, sir, let me try this. Okay?

First of all, part of the problem is the equipment is still engaged. We think that somewhere between 9 and 12 months after the equipment is no longer needed in operations, we will start to see much of the reconstitution effort come into whole.

That is the primary reason that it is going to take a while.

The other piece is the funding itself; the cost of it and then the capability to reconstitute it. We already have our depots about 125 percent of what they normally operate at and we will have to take time to ramp up their capabilities.

Sir.

Mr. ORTIZ. Somebody want to touch on that?

Or, if not, my next question was going to be: it used to be that before we were having base closures because we had excess capacity, but now, if you are going to have a big maintenance of equipment to rebuild and overhaul and bring it back and fix it, if you get the funding, do you have a place to do it?

General JOHNSON. Let me ask Mr. Motsek.

Mr. MOTSEK. Mr. Chairman, with your permission?

I am Gary Motsek, good to see you again.

To put it simply, as General Johnson described, if you look at a baseline program, we have obviously downsized the industrial base substantially since the drop of the Cold War.

But if you look at baseline year; 2001 and 2002, and look what has now happened because of, as you call, reconstituting the forces, we are seeing across the board at our depots, an increase of work of about 25 to 30 percent above that baseline.

So, we are pushing work into them pretty extensively.

Corpus Christi, for example, I believe, is hiring 127 additional people this fiscal year to help with that ramp up. It will clearly be more in fiscal year 2005 as that ramp up continues.

There is a finite amount of work that obviously you can do at the depots, and we are trying to balance the work requirements with the 50/50 rule that we are all familiar with and the reset operational requirements that the Army has placed upon us, as well as the other services, because, as you know, the depot system is a joint community and we support each other.



So, there is a balancing act going on and we have, in fact, ramped up. When we left fiscal year 2003, the depots across the board had already ramped up to that 125 percent; and our job right now is to sustain that and increase it as the funding goes up.

There is a finite level we can hit; we are not there yet. And it would absolutely depend on how many resources we had and how fast we had to turn it over.

Based upon the plan for this year, with the funding that you all provided us for fiscal year 2004 in the supplemental, we are going to meet those requirements.

And it will be close, sir, as you know, with the 50/50 rule. And we are watching that very, very closely. But we should be able to make it with the additional funding you provided us this year.

Mr. ORTIZ. See, the way most would see it, we don't want anybody to come in with an excuse and say, "Well, you know what? We don't have capacity, so that means that we are going to have to contract most of this work."

Another thing is the funding. If I understand correctly, the Army alone will have more than \$1 billion of maintenance backlog.

So that means that you are going, like you stated, on the supplemental, that you will have to get adequate funding, otherwise you will continue to have the same problems.

Mr. MOTSEK. Sir, you are absolutely right. And the funding that you provided us last year, if you recall, had a depot slice to it of about \$1.22 billion.

And that was associated with the depots. Now, don't misunderstand, that was a mix of organic and the contractor-based, but the mix that we can accommodate inside the depots.

Right now, we are able to absorb the requirement. We can absorb somewhat more, but as you know, there is a challenge of how fast you do this.

And so, as General Johnson said, with at least a billion dollars' worth of work backlogged, the real question we would have to answer is how fast do we have to do it?

If we have a couple of years to do it in, we can accommodate it without violating any of the rules that we have. Again, depots that had to plus up, their workforces will continue to plus them up.

We have been very successful in the fact that we had the foresight to have training programs, as you are aware, partnerships with the local community colleges and trade unions and the like. So, we have been able to mobilize the local workforce and hire on as necessary right now.

But we are increasing the workforce.

One of the things that we are doing to try to get ahead of this process is, as you are aware, we have lots of unserviceable equipment throughout the world and our priorities are to reset certain units based upon operational requirements.

We are pulling in unserviceable assets worldwide, feeding them into the depot so that we don't have to wait for the actual unserviceable to come back from the prepositioned spot.

I will not tell you that the M-88 recovery vehicle that was used in the war will be the same one that will go back upon afloat prepositioning ship (APS-5) when we reconstitute it. We may swap



it out because we are going to try to keep this turmoil going on and keep our depots fully engaged.

One of the challenges that you are aware is that we have had lots of crashed, damaged aircraft, and we have been trying to draw those in. And now we are bumping them up against the carryover rules that we are all painfully familiar with.

And one of the things I think we all have to recognize as a community is that we are at war. And some of the peacetime business rules that we have been operating under and the way we have been dividing money up may not be appropriate in the environment that we are in.

So we may have to come back and seek some help on those carry-over rules to let us bring all the crashed, damaged aircraft because there are long lead times associated with repairing them.

And those are some of the innovative things I think we are going to have to cooperate on and work together. So, everything is not squared away, to say the least, but I think we are making significant progress.

Mr. ORTIZ. Thank you very much.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. McKeon.

Mr. MCKEON. Thank you, Mr. Chairman.

I guess it was several years ago we went on a CODEL to visit some prepositioned equipment. We went to Kuwait, we went to, I think it was, Diego Garcia; we had the equipment there on ship.

Mr. HEFLEY. Yes, sir, that is correct.

Mr. MCKEON. What I am wondering: those ships at Diego Garcia, is that equipment still there? Has that been used at all?

General NELLER. Sir, the answer to that question is the ships are still there and the equipment has been used. And it has been used a number of times.

As I mentioned in my statement, the Marine Corps has 16 MPF ships, 11 of those were offloaded for OIF. Today, 8 of them have equipment on them.

One of them, a 9th ship is getting ready to reconstitute at Blount Island. I don't want to leave the committee with the opinion that we are not working to reset or reconstitute the force, we are.

The fact, however, is after OIF we put a force in Kuwait to reload as many of these ships as we could with the best gear that was being brought back by the force.

We didn't select gear that came off the ships and went back on the ships; units brought their home station gear and they were given gear off the ships. We said, as a policy, "We are going to put the best gear the force has, the best conditioned gear, put it on the ships, because we need to have that ready to go."

So we backloaded 4 of those 5 ships that would have been in Diego Garcia. However, because of OIF II, we have offloaded those ships and we put that gear back into Iraq, which is why we only have 8 of 16 ships.

So, the ships themselves, a couple of them are in the Naval Sea-lift Command common user pool, a couple of them are en route right now with some gear that wasn't required for OIF II to move to Blount Island to put in the pool that we will use to reconstitute another Maritime Prepositioning Ship (MPS) run.

So, the answer to your question is, "The ships are still out there. And the one that you saw in Diego Garcia, here. In a short period of time, if not already, the common user pool for sealift, will be empty."

Mr. McKEON. I heard somewhere that we had kind of changed strategy and instead of using some of the prepositioned equipment where the troops showed up and were having to fight with equipment they weren't used to, that they were bringing more of their own equipment.

Do we know what percentage of their own equipment they brought with them versus what percentage was used from prepositioned equipment right now in Iraq or since we have been in Iraq?

General NELLER. Right now, for OIF II, I can't tell you what percentage of the equipment there was fielded from the five ships that we offloaded and then what was brought by other methods of strategic lift, air or, most likely, sealift.

But I can take that question for the record and get back to you.

But you have the equivalent of three regiments and an aviation capability in an forward space support to theatre (FSSG) in Iraq and we offloaded enough equipment to probably field one of those three regiments and a portion of the aviation and the Combat Service Support (CSS).

[The information referred to can be found in the Appendix beginning on page 522.]

Mr. McKEON. One of my concerns I have is that, say that equipment is not needed for awhile, we get it all reconstituted, it sits there; meantime, we buy new equipment, train with new equipment and then the equipment that is prepositioned becomes outdated.

It is there for an emergency, but if we are not planning on using it, if we have trained and our strategy is to fight with equipment we train with, I am wondering if that is something we shouldn't look at and shouldn't get a report on and some judgments.

Maybe that is in your report, sir; I haven't had a chance to read all of your reports.

General NELLER. The issue of having obsolete equipment on the ships: we buy new equipment, we get new variants of vehicles, we make modifications.

Each ship in the Marine Corps prepositioned fleet is on about a three-year schedule, where every three years it comes into Blount Island Command, it is completely downloaded, the gear is taken off, and a new set of gear is put back on.

It is during that time, if we have procured new variants, A-2 Humvee, MTVR, vice a 900-, 800-series truck, any modifications made to RAM/RS, amtraks, are loaded at that time. So you have an inherent time lag in the way we do this. We just cannot bring every ship in at one time.

Mr. McKEON. But then none of the equipment would be over three years old?

General NELLER. That is correct.

Mr. McKEON. So it is not going to be too far out of date?

General NELLER. It would not. Sometimes as you transition, for example, this time we had some ships that had one type of a truck

and some ships that had another type of a truck, we send our drivers to school, and they get licensed in the new type of truck.

So, can they learn to drive a new type of truck? Yes, and if they have time, they will get licensed and they will understand that there are some small nuances. It is not like it is something that they haven't seen before at all. And the commands are aware that they may or may not get the type of truck.

And then they have to take, before they deploy if they have time, they take measures to mitigate that by saying, "Okay, we are going to have these types of trucks. I am going to license you to drive this truck."

"So this is this and this is that." I mean a truck is still a truck, but there are some different things, probably more so for the mechanics than it is for the drivers.

Mr. McKEON. I guess I am also wondering about the tanks. Do they have the latest in bombs and sights and all of the latest equipment?

General NELLER. Again, unless there was something that happened to change that, the Marine Corps uses M-1 A-1 common tanks; the tanks that are on MPF, the changes to the tanks, if there were any, were not significant enough where the crews were not able to operate the tank effectively.

As long as we are aware of it, it is something within that three-year cycle, sometimes we field something and it is part of our planning every year that we know that when these ships come in, part of our procurement is to buy the new gear and part of that procurement is to put it on the ship.

Mr. McKEON. The Army is the same?

General JOHNSON. Similar, but not exactly the same. We have 24 to 30 month download and repair, and we do up basic equipment at that time. The Army does not upgrade the trucks. Most of the new equipment like heavy equipment transporters (HETS) and Humvees and ODS Brads we do and we modernize.

But our real problem, and we have a truck strategy being worked now, you will probably talk with General Christiansen when he is in here next week, we do have a problem with Deuce and a half trucks, 800-series trucks that are still within the APS fleet. We simply don't have enough trucks to completely modernize those fleets.

But, essentially, everything else that was said by the Marine Corps pretty much matches the Army. If you were talking about the percentage of equipment that was issued for APS during the early portion of OIF, 3rd I.D. was 70 to 75 percent APS.

Much of the extended active duty (EAD) units were about 25 percent as they went into battle. We issued over 218 unit sets for the battle itself.

Mr. McKEON. Thank you. I think my time is up, Mr. Chairman.

General NELLER. If I could offer one other observation on this.

Comparing and/or contrasting the two services: the Marines view their pre-po as their go-to-war and they are very familiar with what is on that ship.

The Army doesn't necessarily have the ownership, so the Marines, when they go, the MEF knows what is there.



If there is a mobile liaison team (MLT) or equipment, it also matches what they have at home station, so they are used to practicing generally, what is on that ship. It is not necessarily the case with the Army.

Mr. McKEON. What are you seeing, and let me have General Ryan—

General RYAN. Sir, if I can add, no correction to anything that has been said so far.

First of all, units drawing equipment from the APS were able to draw equipment which provided a significantly better force than what was readied against us.

So, at no time during the battle, were we in danger of drawing equipment which put us at a disadvantage against the enemy.

That is the bottom line that I want to be taken away from this.

Now, a very accurate observation that units coming over would draw equipment that was different, either had not been modernized to the same degree that they were training on at home station, different series trucks and so on.

And, as General Neller pointed out, this is a function of priorities, the amount of time and the ability to modernize equipment which is in stockpiles at the same rate that you are modernizing, say a unit at Fort Stewart.

But the differences between the equipment are not significant, in our opinion. Certainly not to the point that we felt we were at a disadvantage in executing any war plans, tactics or operations there.

In addition, the units which first went into the war, for example, 3rd Infantry Division out of Fort Stewart, drew what was essentially its mirror set of equipment from the APS; and they were all familiar with that equipment, and it was structured in a way that they were already training and operating back in the U.S.

But in subsequent operations now, as we deploy units there, these are just maneuver units on the Army side; you had a different mix of equipment that we are trying to seek because our operations have shifted slightly.

We don't need the numbers of tanks and heavy armored vehicles that we needed before.

Now we need lighter vehicles, more trucks, Humvees armored and up-armored, add-on armor, et cetera, to enable us to do the patrolling, and smaller unit operations that are necessary at this point in the operation.

And when you do that, you begin to require or need a different set of equipment than what was in the prepositioned stockpile. So, that is why you see some units bringing equipment today, rather than drawing tanks out of the APS.

I hope that gets to some of what you were asking about.

Mr. McKEON. Thank you.

Mr. HEFLEY. Mrs. Bordallo?

Ms. BORDALLO. Thank you very much, Mr. Chairman.

I represent Guam and it is a territory that is a very important asset to the United States, mainly because of its strategic location. I think it is all about location.



And I see that Guam is included in several of your prepositioned equipment programs and I am very, very pleased and want to go on record as saying I am very pleased to see this.

My first question is to General Johnson or General Ryan. Could you expand on the Army's flotilla plan for Guam and Saipan?

What is the timeline?

And is all the infrastructure that you need already in place?

General JOHNSON. Currently, the infrastructure is in place. The flotilla is not complete yet.

We have the 1x1 brigade complete, the CS ship, combat support, equipment ship is about 48 percent complete.

We are dependent primarily on trucks and some other combat support equipment that is still being used in the war to complete that set.

The sustainment ship and the ship, I think, are virtually complete.

Guam, in priority, is second only to Korea right now.

Would you like to add anything, Kevin?

General RYAN. Just that the Army's regional flotilla, of course, has three parts, Mediterranean, Guam/Saipan and Diego Garcia are a critical part of our long-term strategy and they give us the flexibility to respond to and to reinforce different theaters around the world.

So, you are absolutely right, madam, that this is a key part of our future strategy. And so it will be around for a while for us.

Ms. BORDALLO. Thank you.

My second question, Mr. Chairman, is to General Neller. How will the Navy sea basing concept affect the Marine Corps use of the prepositioned equipment in places such as Guam?

General NELLER. I am sorry, madam, can you repeat the question?

Ms. BORDALLO. How will the Navy's sea basing concept affect the Marine Corps use of the prepositioned equipment in such places as Guam?

General NELLER. I don't think that the sea based concept, which in the future sea base, the MPF ships, the prepositioned capability, would conceptually be allowed.

We would not have to offload on shore in order to access our equipment. This will require building of different kinds of ships than what we have now, allowing the force to, kind of, flow through the ship.

In other words, instead of offloading on the shore, you would, in effect, offload at the ship in the sea and then project your force ashore. In all that I have seen and in all our concepts, there is always an MPF, whether it be the current capability or their future capability, homeported in Guam because of its location.

Ms. BORDALLO. Yes.

General NELLER. I will mention that when we went and assessed the risk, when we were doing the OIF planning, a conscious decision was made, obviously in coordination with Pacific Command (PACOM), to leave MPSRON Three, which is homeported in Guam, alone.

They were also in the middle of, I mentioned the schedule maintenance cycle, they were in the middle of their tri-annual maintenance cycle. So, those ships were left there.

Now, as I mentioned also, there are eight ships that are loaded today. Six of those ships are now homeported out of Guam. But I don't anticipate that the sea base concept will affect where these ships are homeported. It just affects the type of ship that we end up trying to build.

Ms. BORDALLO. Thank you very much, General. I am very pleased to see these programs now and looking toward Guam to put them in place.

Thank you.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Taylor?

Mr. TAYLOR. You know, I can't tell from your testimony where we are on this thing. Everybody seems to think it is a good idea to preposition and yet, can we afford to preposition with two sets of equipment; one back where they train and one in their prepositioning in the future?

Obviously, from everything we heard in your testimony, it is going to take a long time to reconstitute the prepositioned stocks. If we don't need them for a while, will they be out of date?

Mr. Peltz talked about maybe it doesn't make any sense to preposition everything, but to preposition some of the standard things, like trucks, maybe that makes a position. So, can you help us a little bit to understand exactly where we are on this?

Do you like the prepositioning concept still?

Is this what you are going to continue to want to do?

And if so, what do you want to preposition and how in the world do you expect us to reconstitute that in the foreseeable future?

And why is that not in the budget in the coming years so that we can prepare for it?

I have asked a lot of questions and do the best you can.

Mr. MOTSEK. Let me have General Ryan talk the strategy piece a bit and then we will talk to some of the options we have looked at, because some of the things you mentioned, we have looked at as options, both I will and Mr. Peltz.

General RYAN. Mr. Chairman, first of all, the only strategy on prepositioned equipment is driven by the intent or the purpose to provide the combatant regional combatant commanders with responsive forces, flexible forces, timely, rapid deployment into the region.

For us, these preposition stocks would necessarily include combat equipment, the one brigade-, the two brigades-heavy mechanized are the kinds of equipment that the strategy would want us to have in place around the world, cutting lift requirements and the amount of time and cost, actually, of deploying those sets of equipment to the region.

So, I will go especially with the Stryker where we have a very special and new and emerging piece of equipment; it does make sense to provide those units with combat support trucks, maintenance, things that are not unique to them, but are common to all maneuvering units.

It does make sense to provide those items to the Stryker units.

But our strategy really would be undermined if we didn't have, for the other units, the combat equipment in place. So, that is number one on what kinds of equipment we would like to have there.

The reason that we still support, and it is part of our strategy and our future to have these prepositioned stockpiles, is because we see the global character of the capability to deploy globally that we need to maintain.

And you are familiar with this construct that we use? The one, four, two, one; one being the primary job is homeland defense; four the ability to maneuver to four regions around the world, critical regions; two being the ability to swiftly defeat the enemy in at least two different theaters; and finally, the last one, which is to win decisively in one theater.

So, when we look at four critical regions around the world, it matches very well with where we are headed with our stockpile, the APS in Korea, APS in Southwest Asia (SWA), in Europe, and a regional flotilla which allows us access into the East Asian littoral, reinforcement to Korea to the East Asia area, to the Diego Garcia part, to that part of the world and the Mediterranean flotilla part, also to that part of the world, to Africa and to the Middle East.

So, trying to get to your question, "Where are we?" that is where we are headed. And we see those requirements very clearly at this time. Those regions are regions that are well documented.

Mr. MOTSEK. If you are talking resourcing these, we have looked at several options; and Eric, if you will?

Mr. PELTZ. First, I would like to echo General Ryan; in our analysis, if given the national security strategy and the joint swiftness goals, it is virtually impossible to meet the timelines without some sort of forward presence, when you run through most of the numbers.

Whether it is a forward deployment or some sort of prepositioning, now, what that has to be, depends again on unit type.

For the current heavy forces, even if you were to put the trucks forward, for example, it would still be a daunting challenge to lift the remaining tanks and Bradleys and other heavy tracked assets from the continental United States.

So that same paradigm that may help, with a unit such as the Stryker brigade, wouldn't provide you the same type of benefit for some of the current heavy forces.

So that is why, as the future forces change in their design, different may become viable. So the best way to pursue a strategy will depend again on the force design.

The future airlift could change some of the dynamic, too.

But as we look at the Stryker brigade, and it will probably be even more so for the future unit of action, if you put the trucks forward, even though the Strykers are more supportable than a tank and a Bradley, for example, better fuel efficiency, different type of ammunition, the proportion of the brigade that they represent is much greater than a heavy unit.

So the remaining number of assets that have to be moved from the continental United States, or say from Germany as part of that basing plan calls for, is much lower.



Airlift really becomes viable from a heavy unit standpoint; almost no matter what you do from a stationing standpoint, air is not a very viable option, except for very, very small elements such as a company or a even a platoon or so.

Also, there are some possibilities on the horizon that are just starting to be explored. We haven't looked at it in detail; but there are some possibilities that, as the procurement challenge becomes more intense for the future, that option, such as sharing equipment among units, could be considered.

This is an option the Army is just in the cursory stages of exploring; there is a lot more analysis to be done, but there could be other creative strategies for enabling prepositioning in a more cost-effective manner in the future.

Mr. MOTSEK. And sir, with reference to funding this program, our plan was to use supplementals through fiscal year 2006. Reset has begun to some degree.

We have reset APS-4 with two 1x1s, two ammo ships for Guam/Saipan. The current strategy was to complete by 2006; we expect that to slip to 2008; given current operations.

But reset will begin in earnest with the completion of combat operations in SWA.

As we transition from supplementals through 2006, we will start to put the reset plan within the POM, starting in fiscal year 2007.

General NELLER. I would just pile on a little bit.

I think you ask us about money; Mr. Chairman, I think if we didn't spend the money on this, we would have to spend it on additional means or ways to lift our force to get it there. So, it is kind of an alternative opportunity cost.

We save thousands of airlift sorties equivalence by having this equipment on ship and the time was already discussed.

And the strategy that we are currently working further compresses the timelines, which means the only way you are going to make it is to be closer and closer; and prepositioning is the way you mitigate that.

Now, if we didn't have prepo, we would have to deploy the equipment that our units train on a daily basis to maintain their readiness at home station. The gear that is on ship is statistically and historically at a higher state of readiness.

In effect, you know when you get the stuff off the ship that the goal is 90 percent; but it has historically been in the high 90's, 98.7 percent for the gear that came off from Marine Forces for OIF.

So, you have a ready, credible, capable force that you can close faster. Now it is expensive; and as we further shape the force and see what the force is going to look like in the future, I think we will have some decisions to make.

Remember, we are not talking about airplanes; all aircraft themselves will self deploy, or they will be strat lifted. We will have aviation support equipment.

As our systems seemingly become more expensive and more capable, there will be issues for us to discuss as to what we actually put on the ships.

As was mentioned with the Stryker, can we afford or not afford to buy a Stryker-type vehicle?



And then just have the CSS there to further mitigate the requirement for lift?

And last, I am not sure if I mentioned this, but we are in the midst of reconstitution now.

I mean we are loading ships. We just had the Wheat sail out with a load, the Bobo, which is part of MPSRON One, will come in here this next month and go back; and we will continue to load ships until we don't have the equipment to put on them. And I don't foresee that happening here.

Now, as far as coming up with a dollar figure, because of the frequency of our activity and OIF and OIF II, we are still in the assessment.

We just laid the force down for OIF II; one MEF, in fact, just took responsibility for their area of operations from Navy Second Airborne today, and when we turn that force over and rotate it here in the next six months, I think we will have a much better idea of what our costs may be for this equipment.

Thank you.

Mr. TAYLOR. Mr. Solis, do you have any comments to make regarding where we are going on this thing?

Mr. SOLIS. Well, I would agree. I would say that it is going to continue to be an important piece of the mobility triad. I mean it is either going to be sea lift, air lift or prepositioning, or in the case, which is becoming less likely, is forward basing.

So I would say that it is going to continue to be an important piece.

I think the thing is how does it fit into the strategic context in terms of what they want to do and how they want to execute that strategy?

I think it is clear from the work that we have is that the Marine Corps, again, as I mentioned earlier, uses this as their go-to-war equipment and supplies and their full rates are very, very high.

If you look back at where the Army was prior to OIF, there was a big surge in order to get to that point. And I think, looking to the future, it is going to be very important that if you are going to have this, you are going to have to make sure that it is filled to what you need to execute your strategy.

Again, I would say that it is going to be a very important piece of the future.

Mr. TAYLOR. With all the emphasis nowadays on jointness, everything is jointness, does that work today?

Can you, if you had prepositioned equipment and you thought an Army unit was going to take a certain responsibility, but you decide, all of the sudden, that a Marine unit is going to, can the Marine unit fall in on the equipment that is there?

Or the Army unit fall in on the equipment that is there; does it make any difference?

Mr. SOLIS. I think clearly there are a number of common items; there were a number of trucks that were, because of other requirements, there were drivers needed, so the Marine Corps sent drivers over to drive Army trucks.

I not sure if those trucks were sourced from a prepositioned stock, but clearly anyone is prepo, if you have common items of

supply, food, water, ammunition; the Army and the Marine Corps have very few commodities that we don't use.

Now there are certain systems, they use, Bradleys, we don't. We have amtraks, they don't. But we have generally the same tank, M-1 A-1.

There may be some modification differences that use the same ammunition, we have the same artillery, we have the same wheeled vehicles. There may be a difference in trucks, but there is a great deal of commonality.

Could we use each other's equipment? Yes, Mr. Chairman, we could and we have.

And I think as we look at the future of the sea base, as a joint sea base, there will have to be decisions be made as to whose gear, what gear gets on this ship.

But clearly there is a great deal of commonality and we have and we will continue to leverage each other's capability to support our respective force.

Mr. HEFLEY. Committee, any further questions?

Yes, Mr. Taylor.

Mr. TAYLOR. Gentlemen, we have really been fortunate and blessed as a nation to have had so few maritime casualties, as least in the last 15 years, followed by JUST CAUSE, followed by the first Gulf War, Kosovo, Bosnia, 2nd Gulf War.

And I am very much a supporter of the prepositioned ships and the roll-on/roll-off ships, but I remember reading a long time ago a paper by someone at the War College on what he thought was the vulnerability of having so many of our possessions on one or two ships.

In your testimony here, you talk about having, in fact, all the equipment on one ship. Now, I happen to remember that the *Princeton* was taken out by one mine, 1812 vintage.

The *Cole*, unfortunately, was taken out of commission by something not much bigger than a rowboat. Seeing that our opponents have shown themselves to be pretty clever on occasion, what is the contingency when one of these ships, if and when, one of these ships is taken down en route to a conflict?

I certainly hope that it is never, but I believe in preparing for the worst and hope it never happens.

General RYAN. Yes, sir.

First, I will tell you up front that I am not the expert on security and force protection measures that are being taken on the ships themselves as they move from port to port. I suggest, at least from the Army side, we can take that back to get you an accurate answer for that—

Mr. TAYLOR. Okay.

Question number one: the *Red Cloud*, I am familiar with it, the *Red Cloud* set sail from Charleston, does it travel across the ocean unescorted?

General NELLER. The plan for maritime security, for OIF; this was a new issue for us, because we didn't have the asymmetrical terrorist threat during the first Gulf War, we kind of sailed around.

But as a matter of course, we always have Marines on ships as ship riders.

Now, they are normal, as what we would call an offload preparation party, and they would be working on the gear and preparing it, but they have a collateral duty to provide force protection for the ship.

Now, when we were deploying these ships for OIF, obviously we recognized the danger because most of the ships, at least from the east coast, transit through the Straits of Gibraltar, the Mediterranean, the Suez Canal, and then through the Indian Ocean and into the straits and into Kuwait.

So, what was done was the Navy would pick up these ships as they entered the Mediterranean; there would be a force protection capability for a great deal of force provided by soldiers from the Puerto Rico National Guard that were trained in maritime protection.

They would be on the ship from the beginning; the Navy would escort the ship through the critical points, through the chokepoints, and then bring it all the way in.

And at the time when the ship was offloaded, the protection force would either get off and get on another ship that had cargo, or would stay on the ship until it went back.

And as far as I know, that capability or that requirement still exists. So the Navy, the Sixth Fleet, in the Mediterranean, or the Fifth Fleet, would provide escort for these ships.

We also used the host nation, the Egyptians; and I have asked Marines that have transited through the Suez Canal, when the ships transit the Suez Canal, a naval ship, or even a cargo ship, the Egyptian military moves along the shore line because of the proximity and the narrowness of the passage, actually physically moves along with it to provide force protection.

Is that a 100 percent fool-proof system, sir? No, it is not. There is always a potential for a threat.

But my point is, is that we recognize the potential and we have taken what we consider to be, prudent actions to mitigate it.

Mr. TAYLOR. Okay, I just happened to remember the *Red Cloud* and I believe its homeport is Charleston. Okay?

So it leaves Charleston and it sails unescorted with all that equipment, no telling how many billions of dollars worth of equipment, as far as the Straits of Gibraltar. So a clever foe, if his intentions shifted from killing a lot of people to harming a symbol of the United States, which the Twin Towers were also, has pretty well got an open field to either attack it with a high-jacked plane full of explosives, or high-jacked yacht or supplies.

His intention could be something like what happened to the *Cole* to just go along side and detonate it. But no, I believe that once that cargo is loaded, there is a force protection capability onboard that ship, of armed Marines or soldiers.

General NELLER. That is correct.

Mr. TAYLOR. Okay. So tell me what they are there to protect and defend?

General NELLER. They are there to provide physical protection for this ship.

Mr. TAYLOR. Keep it from being boarded?

General NELLER. They are specifically trained in maritime security.



The complement and I will have to take that for the record to get back to you specifically, but my understanding is about 15 to 20 personnel are onboard this ship from the minute it gets underway with its cargo and ride with it all the way through to its destination to provide that close physical protection for a small boat threat.

Mr. TAYLOR. Well, again, General, not trying to belabor the point because we got burned with the *Cole*;

What I read is that the standing orders were to turn the water-side security over for United States Navy warships to a third world ship chandler. That struck me as somebody along the way just didn't see that coming.

And that is what it was in the case of the *Cole*, we had turned the water side security over to a third world ship chandler, as that same guy who sells them fuel, toilet paper, shackles, what not.

And it does trouble me. Again, let's say you have 15 Marines; at best, 7 of them are going to be on duty at a time for an almost 1000-foot long ship. That does not strike me as a lot of protection. And I would like to talk to someone about that.

I regret to say our fellows have done a pretty good job of going to school on us and finding our vulnerabilities. And I hate to give them too many.

General NELLER. All right, sir, I will take that for the record and I will get back to you with an answer on what our concept of operations (CONOPS) is for maritime security, what constitutes the fallback.

[The information referred to can be found in the Appendix beginning on page 521.]

Mr. TAYLOR. We are attacked, we are attacked; we attacked in Korea. You deploy the vessels that were supposed to respond.

Do the rules change if we have been attacked? No. No.

Does the Navy provide a higher level of security for that vessel approaching Korea under those circumstances, than what we saw in the most recent Gulf War?

General NELLER. I don't want to imply that the Navy didn't provide the proper level of protection for these ships as the Navy was patrolling those areas, those chokepoints.

Mr. TAYLOR. If I may, General.

Our foe is not limiting himself to operating only in his backyard. Right? The Pentagon, twin towers; there is no longer a front yard, backyard, as far as this. And that is the part that troubles me.

I don't think a clever foe would limit himself to attacking Americans waiting for it to get into that part of the world.

General NELLER. Sir, if the question is specifically about force protection of the ships, and going up or down depending on the situation, I think the best thing is for us to take it back and get with the Navy and get an exact answer for you.

Mr. TAYLOR. Good.

And I will give you the instance. I happened to have been in Charleston as one of our Marine prepositioning ships set sail last spring.

And for anyone who could put two and two together, that ship was headed for the Iraqi theater. This is prior to the war.



I am amazed that our foes did not try to do something as it transited somewhere between Charleston and the Straits of Gibraltar, because to my naked eye, it left Charleston unescorted.

Mr. HEFLEY. Yes, sir?

General NELLER. Sir, we have got the question.

Mr. HEFLEY. Okay. We will get back to you.

General NELLER. Thank you very much, Mr. Chairman.

Mr. HEFLEY. If there are no further questions, then we want to thank you; and the committee stands adjourned.

[Whereupon, at 3:14 p.m., the subcommittee was adjourned.]



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# **A P P E N D I X**

MARCH 24, 2004

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 24, 2004

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**RECORD VERSION**

**STATEMENT BY**

**BRIGADIER GENERAL JEROME JOHNSON  
DIRECTOR FOR PLANS, OPERATIONS AND READINESS  
OFFICE OF THE DEPUTY CHIEF OF STAFF, G4, U.S. ARMY**

**AND**

**BRIGADIER GENERAL KEVIN T. RYAN  
DIRECTOR OF STRATEGY, PLANS AND POLICY  
OFFICE OF THE DEPUTY CHIEF OF STAFF, G3, U.S. ARMY**

**BEFORE THE**

**SUBCOMMITTEE ON READINESS  
COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES**

**SECOND SESSION, 108<sup>TH</sup> CONGRESS**

**ON ARMY PREPOSITIONED STOCKS  
SUPPORTING  
THE UNITED STATES ARMY**

**MARCH 24, 2004**

**NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
COMMITTEE ON AUTHORIZATION**

Mr. Chairman and distinguished members of the Subcommittee, thank you for this opportunity to report to you today on Army Prepositioned Stocks (APS). APS is a very important program both for the Army and our nation. APS has been used extensively to support combat operations in Southwest Asia (SWA) where a major portion of it remains committed today. As the Army resets, the need to modernize and improve the APS program becomes increasingly important if we are to stay strategically responsive.

### **Why do we have Army Prepositioned Stocks?**

Through the support of Congress, APS has been a very successful program. APS equipment and supplies drawn by units were major contributors to the success the Army experienced in recent combat operations. APS also reduced strategic lift requirements enabling the Joint Force Commander in Kuwait to rapidly build combat power. The Army learned many lessons during Operations Enduring Freedom (OEF) and Iraqi Freedom (OIF), which are now being incorporated into the Army's future APS strategy. The Army faces significant funding challenges as it resets and converts to modular units but recognizes that APS must also be reset and repositioned to be ready for tomorrow's challenges.

The APS program exists to support the National Military Strategy by prepositioning critical warfighting stocks in strategic locations worldwide. Prepositioning of materiel reduces the deployment response time required for an expeditionary Army. The APS program is evolving from its Cold War mission of large amounts of equipment and supplies stored in Central Europe to tailored sets deployed ashore and afloat in three regions to better support all regional Combatant Commanders. APS remains a cornerstone of Army power projection.



## **What are Army Prepositioned Stocks?**

APS consists of prepositioned unit sets of equipment, operational projects (OPROJ) and sustainment stocks. It also includes War Reserve Stocks for our allies in Korea and Israel. Prior to OIF, the core of the program was five brigade sets -- one afloat on ships stationed at Diego Garcia (designated as APS-3) and one set ashore in Europe (APS-2), one set in Korea (APS-4) and two sets in SWA (APS-5). Currently, there are six brigade sets in APS. Five are on land (one in Europe, three in SWA, and one in Korea) and the sixth is afloat at Guam/Saipan.

Fourteen APS Operational Projects (APS-1) provide specialized capabilities over and above normal unit authorizations, such as petroleum distribution, Force Provider housing modules and mortuary affairs. These are located across the globe to support regional Combatant Commander requirements. Sustainment stocks support APS unit sets and deploying units in SWA and Korea until re-supply is initiated from the industrial and sustaining base in the Continental United States (CONUS).

## **New APS Strategy**

Prior to Operation Iraqi Freedom, the Army leadership recognized that an APS policy based on Cold War threats must change to meet Army transformation goals, and directed development of a new APS strategy to address the current and future threat environment. In June 2003, the Vice Chief of Staff of the Army approved a new APS strategy to comply with the current Strategic Planning Guidance (SPG). This strategy emphasizes rapid force closure, enhances strategic responsiveness, offers flexible deterrent options to the regional Combatant Commanders, and provides capabilities to meet the demands across the full spectrum of operations. The new APS strategy focuses on forward positioning critical enablers to influence the SPG imperative "Swiftly Defeat the Effort" Phase One (seize

the initiative) and Phase Two (decisive operations), while transitioning to "Win Decisively". The major differences in this new strategy are the development of the Army Regional Flotilla (ARF) concept and a significant reduction in combat units within APS.

The concept of APS-3 afloat in a single location will give way to three Army Regional Flotillas (ARF) positioned in the Pacific Ocean, the Indian Ocean and the Mediterranean Sea.

Land-based APS enhances Army deployment response by allowing ground units to deploy personnel by airlift and act as an immediate response force while also mitigating enemy anti-access efforts. Additionally, land-based APS reduces the requirements for limited strategic air/sealift early in operations. Land-based APS in Europe will shift from Central Europe to a 1x1 brigade set in Italy. This is short-hand for the equipment for one armored battalion and one mechanized infantry battalion. A 2x2 brigade set will be located in both SWA and Korea. These optimal locations were determined from numerous studies such as the Defense Mobility Requirements Study 2005 and the Center for Army Analysis study "Arcs of Instability".

### **Army Regional Flotillas (ARF)**

The new APS strategy has afloat capabilities dispersed geographically in three critical regions providing a new set of modular capabilities designed to provide regional Combatant Commanders with flexible response options. APS afloat influences early decisive operations by providing capabilities for a rapid response force.

At the core of each of the three ARFs are two Large Medium-Speed Roll On/Roll Off (LMSR) vessels. One LMSR contains a 1x1 brigade set consisting of equipment for one armored and one mechanized infantry battalion, a round-out assortment of brigade combat support (CS) and combat service support (CSS) units, and 15 days of supply of unit basic

loads. The second LMSR will contain equipment for units at Echelons Above Division (EAD) and Echelons Above Corps (EAC). These units provide theater opening and sustainment support for the deployed force.

Much of the equipment scheduled for upload on the second LMSR will support not only the present 1x1 brigade set construct but will also support future deployment of STRYKER brigade combat teams. This includes equipment such as 900-series trucks, the Family of Medium Tactical Vehicles (FMTV), Heavy Expanded Mobility Tactical Trucks (HEMTT) and Palletized Load System (PLS) trucks that will be part of the STRYKER Brigade Support Battalion (BSB) and Combat Service Support Company (CSSC). Initial indications are that 70% of the equipment aboard this ship can support both the 1x1 brigade set and STRYKER brigade. Using CS/CSS assets from an ARF will give the STRYKER brigade an initial sustainment capability without further straining limited strategic airlift assets. There is no Army plan today to place STRYKER vehicles in prepositioned stocks.

A third vessel, a 26-foot shallow draft Roll On/Roll Off (RO/RO) ship, will hold humanitarian assistance and disaster relief (HA/DR) functional units and capabilities. The smaller draft of the RO/RO ship affords it wider global port access than the LMSR. Each ARF will also include a ship with sustainment stocks and another loaded with ammunition containers, sufficient to provide 30 days of supply to 2.5 divisions. This requirement is under review and may change, but the number of ammunition and container ships will not. While these ships can support the 1x1 brigade set, they are primarily intended to support the augmentation forces in a "Win Decisively" scenario.

In addition, each flotilla will incorporate a specific set of port opening and in-stream discharge enablers, such as cargo-handling equipment. These sets will include Army watercraft stationed in Japan and Kuwait, plus theater and logistics support vessels (TSV/LSV), which will support daily operations within assigned theaters.

In its entirety, an Army Regional Flotilla provides a powerful combat capability across the full spectrum of operations to the regional Combatant Commander. Lessons learned from the download of APS equipment and supplies for OIF are being incorporated into the design of the ARFs and their ships. Some of the technology enhancements needed aboard the ships are still being developed, but we are confident that, given time and resources, we will arrive at optimum solutions.

### **APS Performance during Operation Iraqi Freedom**

APS equipment proved instrumental in supporting combat operations during OIF. Our general sense is that, in most instances, the equipment and supplies matched fairly well with unit requirements, and the equipment was well maintained. There were some unit sets in APS that unit commanders neither wanted nor required. These have been removed from APS and will be replaced by other units not previously prepositioned.

Most of the APS-5 (SWA) and the APS-3 (Afloat) was issued in support of OIF, including three 2x2 brigade sets. In total, 218 unit sets including approximately 17,665 pieces of rolling stock, 124,400 sets, kits and outfits, and 119,194 Class VIII medical supply packages were issued from APS to deployed units.

The 3d Infantry Division (Mechanized) (3ID) was the largest consumer of APS equipment. They received 121 unit sets, approximately 7,525 pieces of rolling stock including 252 Abrams tanks, 325 Bradley Fighting Vehicles, 18 Multiple Launch Rocket Systems and 59 Paladin Howitzers. The Division's signal and air defense artillery units both drew APS and deployed equipment from home station. The only units that were not sourced from APS were those assigned to the 3ID aviation brigade, since aviation assets are not stocked in APS.



Prior to OIF, Army Materiel Command (AMC) did a tremendous job of maintaining the equipment within the APS program as evidenced by the high readiness rates of the equipment drawn by the units. During OIF, the equipment, in particular the Abrams tanks, Bradley Fighting Vehicles and wheeled vehicles, were subjected to the equivalent of three years of high-intensity training in the harshest of conditions. Listed below are a few selected comments from After Action Reviews on APS:

- Company Commander: "When we went into the fight, they [tanks] were the best we were ever on!"
- Battalion Motor Officer: "Lowest combat power [for tanks] for any fight was 95% - that was one fight - for all the others it was 100%."
- Battalion Motor Officer: "We used more parts at NTC [National Training Center, Fort Irwin, California] and on home station equipment than on the [APS] M1s [tanks]."
- Soldier: "14 of 14 started [Bradley's]. 14 of 14 finished."
- Soldier: "The equipment [Paladins] was good – Saw the guns and said 'yeah!'"

The Army employed significant quantities of Operational Project stocks in support of both OIF and Operation Enduring Freedom (OEF) in Afghanistan. For example, all the Army's available Force Provider bare base housing modules have been deployed to provide bed-down facilities for soldiers and airmen in Central and Southwest Asia and in other parts of the world in support of the Global War on Terrorism. Other operational project stocks used included the Inland Petroleum Distribution System pipeline sets, Special Operations Forces equipment, mortuary affairs materiel, bridging, aircraft landing mats and materiel for handling enemy prisoners of war.

War Reserve Secondary Items (WRSI) were another success story and continue to support current operations. At the onset of OIF, total

WRSI assets on hand were valued at \$2.2 billion. The Army Materiel Command released \$900 million worth of WRSI in support of OEF/OIF requirements, much of which was not readily available in the Army supply system. WRSI also served as a buffer for the Defense Logistics Agency (DLA) as it ramped up its supply base to support service requirements. The Army Deputy Chief of Staff, G-4 and the Commander of Army Materiel Command are revalidating WRSI requirements to support future contingencies.

### **Resetting APS**

APS equipment in SWA continues to be used to a great extent to support current operations. As an example, since March 2003, over 3100 individual vehicles from APS have been issued in support of theater requirements, greatly reducing the need for strategic shipping from the United States. APS equipment will also be used to support future OEF rotations. Both of these cases prove the value of APS to Army operations but at the same time limit our ability to complete APS reset.

Several major lessons have emerged from our OIF experience and are being incorporated into future APS strategy. We need to modernize APS to the level of the equipment used at home station by the deploying force. Our Soldiers should have the opportunity to thoroughly train and exercise with APS equipment to master any differences in capability. The APS sets must be complete and the sustainment stocks should be theater-centric.

As of March 15, 2004, reset actions have been accomplished on APS-4 (Korea), two ammunition ships, the 1x1 brigade set for ARF Guam/Saipan, and the 1x1 brigade set for ARF Diego Garcia is being prepared. Almost half of the equipment for the second LMSR in ARF Guam/Saipan (the combat support/combat service support sets) has been redeployed from SWA and is undergoing repair and refurbishment at Charleston, South Carolina. The Army will attempt to completely load this

ship; however, continued use of APS equipment for current operations is hindering this effort. None of the ARF 1x1 brigade sets have been completely filled with all authorized equipment. The shortages are primarily caused by APS equipment remaining in theater.

Despite the recent success of the APS program, we do face some significant challenges. In November 1998, the General Accounting Office (GAO) completed an audit, commissioned by the Senate Armed Services Committee, of Department of Defense prepositioning programs. Their report specifically criticized the Army for poor definition of requirements and incomplete visibility of operational projects, inappropriate APS structure in Europe, and lack of war reserve secondary item (WRSI) funding for sustainment.

Since the audit, a review of APS operations in Europe has resulted in the closure of three sites, significantly reducing APS operations in Central Europe. In fiscal years (FY) 04-06, the Army is investing \$53.4 million in military construction funding to modernize key APS maintenance, storage, and ammunition facilities at Livorno, Italy, as the enduring site for the APS-2 1x1 brigade set.

The U.S. Army Audit Agency (AAA) just completed an audit of operational project stocks held in Korea and recommended potential savings of \$114.6 million by reducing unsupported Army requirements. The AAA also discovered that the Army had overstated requirements by \$125.6 million. The Army had already eliminated the need for aircraft matting in Korea and is in the process of disposing of some outdated bridging equipment there. A key finding highlighted by AAA is that "none of the Operational Projects within APS-4 had enough materiel on hand to satisfy their intended purposes." Audits are also ongoing within APS-2 (Europe).

Asset visibility once Operational Project stocks have been released suffers from the same disjointed, unconnected 20<sup>th</sup>-century supply system that plagued the Army in its race to Baghdad. No one system offers

seamless, real-time, end-to-end visibility of items issued from Operational Projects. Implementation of an interim solution is underway to facilitate the transfer of these items from the legacy depot-level accounting system aboard the ships to the retail-level property book and maintenance systems in the using units.

Funding for procurement of War Reserve Secondary Items (WRSI) remains a significant problem; it competes against many other higher-priority Army programs. \$92.2 million of obligation authority was provided in FY 2004 and the Army has programmed \$900 million across FY 2005-2009 against total WRSI requirements. This was done specifically to increase the readiness of all prepositioned sets and to provide sustainment stocks to the initial corps allocated against the planning scenario of two simultaneous major combat operations. Funding for WRSI has become critical because war reserve spares are at a 28% fill rate after their heavy usage during OIF. WRSI requirements for program years 2006-2011 have been validated but actual funding is still to be determined.

Modernization of APS remains a contentious issue. Generally, APS unit set equipment is one or two generations older than equipment in first line units, e.g., M1A1 Abrams tanks instead of M1A2s; older models of Bradleys; and M-35A2 and 800-series trucks instead of the Family of Medium Tactical Vehicles (FMTV) or even the FMTV predecessors, the 900-series trucks. The presence of this older equipment presents maintenance and training challenges. Using less modern APS equipment during OIF required time for soldiers to become fully accustomed to it, such as learning how to drive with a manual transmission; however, the ability to accomplish assigned missions was not severely impacted.

Modern equipment generally has come into APS as a result of "cascading" from units receiving new equipment, but the Army Staff has been working to effect at least limited modernization of APS equipment as part of the Army reset initiative. Specifically, APS-4 (Korea) and the Army Regional Flotilla in Guam/Saipan have been targeted for modernization.



Funding for APS reset will continue to be one of our challenges. Limited funding for FY 2004 Army APS reset actions has come from FY 2004 supplemental appropriations in the amount of 28% of Other Procurement, Army (OPA) and 5% of Operation & Maintenance, Army (OMA) requirements. This does not include depot funding received.

FY 2004 APS operational funding (less WRSI) totaled \$483.6 million. In particular, validated requirements to store and maintain critical warfighting equipment in APS Afloat, in Korea, and SWA are fully funded. The Army also has been able to program funds for key initiatives like prepositioning Army watercraft unit sets in the Pacific and SWA to enhance strategic responsiveness. We anticipate that the overall funding position for APS operations will remain very good (over 90% of requirements) across the new FY 2005-2009 program, but funding for equipment modernization and to fill APS shortages, including WRSI, will remain a challenge.

## **The Future**

Army Prepositioned Stocks remain an integral part of the Army's mobility triad, the other two legs being sealift and airlift. To support force projection and operational requirements, the Army continues to refine its deployment goals. In the Secretary of Defense's memorandum titled "Operational Availability Action Items", dated August 18, 2003, he provided the Services with what have become known as the DoD Joint Swiftness Goals. The Army is currently reassessing its deployment metrics of "one brigade in 96 hours / one division in 120 hours / five divisions in 30 days". A recommendation is currently undergoing review by senior Army leadership.

The awesome force projection capabilities we leveraged in recent operations are a testament to congressional support in the aftermath of Operations Desert Shield/Desert Storm. However, the Secretary of Defense's conflict separation objectives, and the Joint Operations Concept

enabling rapid, global and credible military response options in future crises, underscore the need for a quantum leap forward in our force projection capability. The Army is adopting a joint and expeditionary mindset in support of the defense strategy. In coordination with the Defense and Joint Staffs, our sister Services and the regional Combatant Commanders, we will aggressively pursue advances in force projection capabilities.

While there is a strategy for APS end-state through 2006, we continually reexamine that strategy to incorporate developing Army initiatives such as modularity for the Unit of Employment concept.

Our vision for the future includes modular Army units, deploying into austere locations if necessary, and arriving intact and immediately employable. The Army's global force projection strategy and its move to develop robust joint and expeditionary capabilities will be characterized by continued implementation of the Army Power Projection Program (AP3), force design changes, positioning and training of units, and logistics transformation. These components are our implementing mechanisms to develop and field Army capabilities nested within an overarching Joint force projection strategy.

Full implementation of the Army vision requires improvements in several Defense power projection and counter anti-access capabilities. Defense programs, concepts, and processes that must evolve to attain these capabilities will be further refined this year within the Defense Mobility Capabilities Study. While some of these capabilities may not be realized until next decade, some are achievable now with sufficient resources.

Mr. Chairman and distinguished members of the Subcommittee, we want to thank you for your support and for taking the time to review our APS program today. It is an important program for the Army and will remain so for the foreseeable future. We are an Army serving a nation at war, and APS has played a large role in our successes so far.

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THE HOUSE ARMED  
SERVICES COMMITTEE

STATEMENT OF  
BRIGADIER GENERAL ROBERT B. NELLER  
DIRECTOR, OPERATIONS DIVISION  
UNITED STATES MARINE CORPS  
BEFORE THE  
SUBCOMMITTEE ON MILITARY READINESS  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
CONCERNING  
MARITIME PREPOSITIONING FORCE READINESS  
ON  
MARCH 24, 2004

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THE HOUSE ARMED  
SERVICES COMMITTEE



### Introduction

Chairman Hefley, Congressman Ortiz, distinguished Members of the Committee; it is my privilege to report to you on the state of readiness of your Marine Corps. Your Marines are firmly committed to warfighting excellence, and the support of the Congress and the American people has been indispensable to our success in the Global War on Terrorism. Your sustained commitment to sustaining, modernizing, and transforming our Nation's armed forces to meet the challenges of today as well as those of the future is vital to the security of our Nation. On behalf of all Marines and their families, I thank the Committee for your continued support and commitment to the readiness of your Marine Corps.

### Recent Operations & Current Status of Maritime Prepositioning Forces

Our Maritime Prepositioning Force program figured prominently during operations in Iraq last year as eleven of our 16 ships offloaded their equipment and supplies in support of OPERATION IRAQI FREEDOM. All eleven of these ships were completely offloaded in a total of just 18 days. Vehicle offload operations averaged under 48 hours per ship, with eight of the eleven ships offloading the vast majority of their vehicles on the first day their respective offload began. Container offload operations averaged around 60 hours per ship, with the containers holding 30 days' worth of supplies and sustainment for two Marine Expeditionary Brigades including Meals Ready to Eat, ammunition, medical equipment and supplies, multiple repair parts blocks, and construction and engineering supplies. Additionally, two 500-bed fleet hospitals, two expeditionary airfields, and equipment and supplies for two Naval Mobile Construction Battalions were offloaded. In total, over 7,000 vehicles and nearly 6,000 twenty-foot equivalent unit containers were offloaded during this process. The result was that equipment and supplies were distributed to two reinforced regimental combat teams and associated aviation

and combat service support elements, enabling rapid force closure and ultimately, the establishment of a potent fighting force poised to conduct actions as directed by the Commander, U.S. Central Command. Undoubtedly, such an accomplishment equates to a tremendous strategic success and serves to reinforce the global presence and force projection capabilities of the naval services.

In terms of overall performance, our prepositioned stocks performed extremely well. The prepositioned equipment and supplies that formed the nucleus of I Marine Expeditionary Force's combat power rolled off the ships at a 98.5% readiness level and eventually was used in support of combat operations throughout Iraq in areas such as Basra, An Nasariyah, Al Kut, Baghdad, An Najaf, and ultimately Tikrit.

### **Equipment Status**

The execution of decisive combat operations in support of OPERATION IRAQI FREEDOM placed excessive wear on all of our equipment. The assessment of that equipment continues. Throughout last summer and autumn, we had approximately 2,200 Marines and civilian contractors in Iraq and Kuwait working to inspect, and where feasible, repair equipment in order to bring it back up to an operational capability. The goal of our reconstitution actions was to rapidly return operationally capable equipment to our prepositioning ships and operating forces. By operationally capable I mean equipment able to support our ability to shoot, move, and communicate—and we successfully met that objective. Specific guidance was issued that directed the equipment in the best condition, regardless of original ownership, to be returned to the Maritime Prepositioning Ships. This meant that our Maritime Prepositioning Ships received the highest priority for overall reconstitution—even above that of equipment, which remained in

custody of our units. This guidance was proffered in order to ensure that our global reach and force projection capabilities were returned to optimal status as soon as possible.

### **Reconstitution of our Maritime Prepositioning Force**

The equipment used to support the reconstitution of the Maritime Prepositioning Force was sourced from a number of locations and organizations. These included assets left behind in the Continental United States (CONUS) by deploying units, standard unit tables of equipment representing organic equipment stocks, Norway Air-Landed Marine Expeditionary Brigade (NALMEB) assets, global war reserve stocks, and of course, from the assets of those units that participated in OPERATION IRAQI FREEDOM. It will take time to return the Maritime Prepositioning Force program to pre-OPERATION IRAQI FREEDOM employment capability, and the use of Maritime Prepositioning Squadron assets in support of OPERATION IRAQI FREEDOM II may extend the overall reconstitution timeline. One squadron is complete, MPSRON-3 in Guam, and ready to respond to any contingency. Several ships in the other two squadrons had completed reconstitution, but those ships have since been used to support the Marine forces deploying for OPERATION IRAQI FREEDOM II.

The back-to-back use of our Maritime Prepositioned Force in support of OPERATION IRAQI FREEDOM I and II is challenging the readiness of the Marine Corps. We are meeting present OPERATION IRAQI FREEDOM II operational requirements within the constraints of our capabilities. Our reconstitution/resetting the force requirement costs are partially addressed in the FY04 supplemental. We continue to assess our equipment status and needs, and those additional costs will be addressed in future budget requests. We have initiated reprogramming actions from our investment accounts that will effectively defer replacement of combat losses and other equipment reconstitution from OPERATION IRAQI FREEDOM I. Of our more than

\$200 million depot maintenance backlog, only about \$52 million of the assets are actually available to be inducted into depot maintenance in FY 2004. However, there is a practical limit to what our maintenance depots at Albany and Barstow and our Maritime Prepositioning Force facility at Blount Island Command in Jacksonville, Florida can execute this fiscal year. Both are currently operating in excess of 20% of labor hours as overtime. To add additional capacity and shifts requires a four to six month hiring process to recruit the necessary skilled labor.

The operational impact of funding OPERATION IRAQI FREEDOM II requirements has not been completely addressed because that operation has just begun. To fund OPERATION IRAQI FREEDOM II emerging requirements, the Marine Corps has deferred a portion of FY 2004 Procurement Marine Corps/Procurement Ammunition Navy Marine Corps (PMC/PANMC) budget to procure urgent needs items. The interruption of the Maritime Prepositioning Force maintenance and reconstitution cycle to support OPERATION IRAQI FREEDOM II requirements necessitated sourcing of equipment from the Marine Component Commander Forces to meet Maritime Prepositioning Force Maintenance Cycle – 8 (MMC-8) requirements. We continue to assess our needs for reconstitution funding, the impact on equipment delivery dates, and potential effects on training and future deployments.

The current schedule has one Maritime Prepositioning Squadron, MPSRON-1, completing its scheduled maintenance cycle in April 2005, and the second squadron, MPSRON-2, concluding its scheduled maintenance cycle in April 2006. The time it will take until we have all three squadrons reconstituted to 100% operating capability will be a function of additional equipment requirements in support of OPERATION IRAQI FREEDOM II, Marine Corps-wide equipment readiness, and the condition of the equipment that returns from OPERATION IRAQI



FREEDOM II. In any case, reconstitution of our forces and Maritime Prepositioning Squadrons will be a challenge for at least two more years.

### **Role of our Land-based Prepositioning Programs in Reconstituting the Maritime Prepositioning Force**

We have used assets from the NALMEB Prepositioning Program—our prepositioned assets currently held in storage caves in Norway—in the reconstitution of our Maritime Prepositioning Ships Squadrons, and expect to tap further into the assets stored there as we progress in the overall Maritime Prepositioning Force reconstitution as well as in support of Operation IRAQI FREEDOM II. Norway continues to demonstrate its role as a critical and valuable ally through its tremendous support to our utilization of assets that are strategically prepositioned on Norwegian soil. Specifically, Norwegian forces have supported several equipment draws, provided local security and in-country transportation for those assets, and executed the loading of that equipment onto Military Sealift Command shipping in support of our overall OPERATION IRAQI FREEDOM requirements.

Depot Maintenance. Returning our operating and Maritime Prepositioning Force equipment to full capability is one of our highest priorities, and that priority is reflected in the supplemental requests for depot maintenance funding. However, we have constrained our request for equipment throughput at our two Marine Corps depots in order to preclude a significant investment in new facilities or production line tooling. We will continue to evaluate options to accelerate our depot maintenance throughput in order to return mission essential equipment to the operating forces as expeditiously as possible.

Blount Island Command Facility. The Marine Corps will complete the acquisition of the Blount Island facility in Jacksonville, Florida in 2004. Upon ownership transfer to the Marine

Corps, Blount Island Command becomes responsible for the stewardship of the local land, buildings, and environment. To ensure a smooth transition, efforts are in progress to establish facility management processes for base operating support and services, capital improvements, facilities sustainment and restoration, and anti-terrorism/force protection.

The acquisition of the Blount Island facility is critical to our Nation and to our Corps' warfighting capabilities. Blount Island's peacetime mission is to support the Maritime Prepositioning Force. Its wartime capability to support massive logistics sustainment from CONUS gives it strategic significance. The Blount Island facility plays a vital role in the National Military Strategy as the site for Maritime Prepositioning Force maintenance operations. The Marine Corps thanks Congress for your role in supporting this acquisition project.

#### **Current Prepositioning Budget**

OPERATION IRAQI FREEDOM has obviously greatly impacted our current prepositioning budget. The following areas amplify the extent of this impact. All figures cited include identification of the budgeted requirements for the indicated activity this fiscal year and the actual expenditures incurred as a result of OPERATION IRAQI FREEDOM. The actual costs cited include the expenditure of funds received as a result of the OPERATION IRAQI FREEDOM supplemental.

- **Maintenance Cycle Operations.** A total of \$8.2 million was budgeted prior to the execution of OPERATION IRAQI FREEDOM for our MPF Maintenance Cycle. To date, we have spent a little more than \$65 million; with the additional \$56.8 million spent as a result of post OPERATION IRAQI FREEDOM maintenance requirements. Those costs are expected to increase further as we continue to assess, repair, and replace equipment. Budgeting for these actions includes the identification of requirements for the

procurement of parts used during the maintenance cycle (consumables and repairable), shelf-life replacement, care-in-stores materials, 30 day sustainment block requirements, Supply System Responsible Items (SSRI) replacement and Using Unit Responsible Items (UURI) procured through Marine Corps and Department of Defense (DoD) supply systems or special supply chain arrangements.

- Port Operations. A total of \$6.9 million was budgeted for port operations at Blount Island Command expenses prior to the execution of OPERATION IRAQI FREEDOM. This year's operations have required us to actually spend just over \$23 million in support of port operations, with the additional \$16.1 million spent as a result of port costs associated with our participation in OPERATION IRAQI FREEDOM. Normally, the majority of our port operations budgeting is designed to support operations of the port facilities located at Blount Island and in support of associated shipboard operations there since that is where the preponderance of our routine port operations occur. These costs include areas such as utilities, communications, security, custodial, dry/wet trash removal, civilian labor, travel, organic support, container repair/replacement, and miscellaneous contract support. Additionally, we budget for port operations we expect to conduct overseas in areas where our maritime prepositioning squadrons normally operate, such as Guam/Saipan, Diego Garcia, and Rota, Spain. The port of Ash Shuaybah, Kuwait is not a port where we normally operate. However, as you know, we conducted extensive operations there during OPERATION IRAQI FREEDOM, and the expenses incurred with that additional port operations requirement are reflected by the additional \$16.1 million cited above. As with our additional maintenance cycle costs associated with

OPERATION IRAQI FREEDOM, the additional port operational costs we have experienced so far have been funded by the supplemental.

- Maintenance Support. A total of just over \$37.5 million was budgeted for maintenance support actions. As a result of OPERATION IRAQI FREEDOM, though, we have incurred expenses totaling almost \$63 million to date, an increase of \$25.5 million. Maintenance support actions principally consist of the contracted logistics and maintenance requirements. Specifically, these include the costs of logistics functions performed by Blount Island Command prime contractors on site, aboard ships, and deployed around the world. Costs associated with this category primarily represent funding for labor to provide maintenance; warehousing; automated information systems; preparation, preservation, and packaging of materiel; transportation management operations support; and supply management. Other associated funding requirements include the costs associated with materials not available through the Department of Defense supply system.
- Government of Norway (GON) Maintenance Agreement. A total of \$1.1 million was budgeted for equipment repair and preparation for shipment by Blount Island Command prime contractors, temporary additional duty costs for quality assurance and program management visits, and various other support costs. As a result of OPERATION IRAQI FREEDOM, though, we have incurred expenses totaling just under \$3 million to date, an increase of \$1.9 million that has been covered by the supplemental.
- NALMEB Operations Support. We budgeted \$2.4 million dollars for support of routine NALMEB operations last year. These actions include costs associated with maintenance parts used by the Norwegians in conducting contracted preventive and corrective



maintenance actions on our equipment prepositioned in Norway, care of in-stores supplies, replenishment of sustainment block and shelf-life materials, and acquisition of Supply System Responsible Items (SSRI) replacement and Using Unit Responsible items (UURI) procured through Marine Corps and Department of Defense supply systems or special supply chain arrangements. As a result of OPERATION IRAQI FREEDOM, though, we have incurred expenses totaling just under \$11 million to date, an increase of \$8.6 million that has been covered by the supplemental.

There are of course other areas that impact our maritime prepositioning force program for which we routinely budget. Examples include funding requirements for the leasing of the Blount Island Command facilities at Jacksonville, Florida as well as the various maritime prepositioning force exercises conducted by our operating and support forces. However, we experienced no significant cost increases to these activities as a result of OPERATION IRAQI FREEDOM. Thank you for your support in meeting our emerging requirements through current and supplemental funding.

#### **Operational Readiness Outlook – Near Term**

We are preparing our Marines and equipment for continued operations in Iraq, Afghanistan, and worldwide. Your Marines deploying for OPERATION IRAQI FREEDOM II will deploy in two rotations of seven months each, and assets from five Maritime Prepositioning Ships—essentially one Maritime Prepositioning Squadron—will support this force throughout that deployment

#### **Modernization and Transformation**

The Naval Services have been working to bring the concept *Maritime Prepositioning Force 2010* to reality since the concept was approved in December 1997. The concept remains key to

successfully conducting Expeditionary Maneuver Warfare and Ship to Objective Maneuver operations. The principal concepts behind our Maritime Prepositioning Force (Future) program revolve around the following capabilities:

- To provide Combatant Commanders and Joint Force Commanders a highly flexible, operational and logistics support capability to meet widely varied expeditionary missions ranging from projecting combat power ashore to conducting independent operations.
- To work within an interoperable construct with other Joint, interagency, and combined forces/systems.
- To rapidly deploy Marine Air Ground Task Forces (MAGTF) and associated Navy/other service elements to enable joint maritime expeditionary operations.
- To enable operations ranging from those of the current Maritime Prepositioning Ships to future transformational Sea Based operations.
- To exploit the sea as maneuver space from over-the-horizon.
- To provide a series of platforms from which aviation actions can be conducted.
- To perform selective off-loading of cargo.

Achieving our vision for the future of the Marine Corps while maintaining near-term readiness will require the upgrade and modernization of current systems, until they can be replaced, while we concurrently carry out key modernization and transformational programs. Our top acquisition priorities, such as the MV-22 Osprey, the KC-130J, the Expeditionary Fighting Vehicle, the Short Take Off Vertical Landing Joint Strike Fighter, the Lightweight-155 mm Howitzer, the High Mobility Artillery Rocket System, and the CH-53X and UH-1Y/AH-1Z tie directly to our future warfighting concepts, of which our Maritime Prepositioning Force (Future) program is a cornerstone. Additionally, initiatives like the family of Navy and Marine Corps Mine Countermeasures systems; concepts such as Tactical Air Integration, Logistics

Modernization and Command and Control; and improvements in Intelligence and Information Operations are equally essential to our transformation effort. Accordingly, we continue to explore technology and processes that facilitate our transformation.

Most important of all to our future readiness are our Sea Power 21 initiatives in partnership with the Navy. We hold a deep and abiding conviction that Sea Basing initiatives hold the greatest promise for transforming your Marine Corps-Navy team into a more ready, flexible, and responsive force –that is able to project sustainable power across the full spectrum of operational capabilities anywhere in the world. More than just an alternative to current capabilities, operations conducted from a sea base may well become the preferred method for national crisis response in the 21<sup>st</sup> century. Naval forces will be even more strategically and operationally agile, projecting power from a fully networked sea base while operating within the security derived from the Navy's command of the sea. Sea Basing will provide national decision makers with unprecedented versatility, because naval forces can exploit the freedom of the high seas as maneuver space, relatively unconstrained by political, geographic, or diplomatic restrictions. Navy and Marine Corps warfighting capabilities, thoroughly integrated across all sea-based systems and assets, will provide our Nation and Regional Combatant Commanders the combat ready forces necessary to fight and win in the conflicts of the 21<sup>st</sup> century.

This year, the Marine Corps continues to refine plans for the Marine Expeditionary Brigade of 2015, in concert with our concept for sea-based operations. Similarly, the Analysis of Alternatives for our Maritime Prepositioning Force (Future), a critical component of Sea Basing, will provide valid choices for achieving Sea Basing capabilities. These initiatives will serve as an invaluable complement to the amphibious lift and forcible entry capabilities of the LHA(R),

LPD-17, and current amphibious platforms will provide the Nation a deployment and employment capability unmatched in the modern world.

### **Conclusion**

In conclusion, I would like to again thank the members of the Committee for their continuing support of the Marine Corps, and for the opportunity to discuss our readiness issues. The young men and women of your Corps are doing an exceptional job in OPERATIONS ENDURING FREEDOM and IRAQI FREEDOM. Their accomplishments are a direct reflection of your continued support and commitment to maintaining our Nation's expeditionary warfighting capability. We go forward with confidence because Marines have the best training and equipment in the world, thanks to the support of this Committee, and the Nation we proudly serve.



TESTIMONY

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Toward an Expeditionary  
ArmyNew Options for Combatant  
Commanders

ERIC PELTZ

CT-223

March 2004

Testimony presented to the House Armed Services Committee on March 24,  
2004

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**Statement of Eric Peltz<sup>1</sup>****Before the Committee on Armed Services****U.S. House of Representatives****March 24, 2004**

Mr. Chairman and members of the subcommittee, I would like to thank you and the committee for inviting us to testify today on Army prepositioning. RAND's Arroyo Center is the Army's Federally Funded Research and Development Center (FFRDC) for studies and policy analyses. Over the last few years, the RAND Arroyo Center has provided research on concepts for transforming the capabilities the Army offers the joint force for prompt power projection. Within this research, we have examined how prepositioning might be leveraged as part of a three-pronged strategy for improving the strategic responsiveness of our nation's ground forces. I appreciate the opportunity to take part in this dialog today.

**Introduction: The Case for Change**

Today, I will focus on developing future strategic response strategies for early entry ground forces. During the Cold War, the United States Army evolved into a powerful force designed primarily for the preeminent mission and threat: the defense of Europe against the Soviet threat. Heavy ground forces were positioned forward to guard against this threat, with equipment for additional heavy forces prepositioned in Europe. Similarly, mechanized infantry and tank units have been maintained forward in Korea prepared to face a specific threat. While light ground forces provided some strategic mobility, they were without much firepower or ground mobility. They were, and continue to be, capable of fulfilling a range of missions well,

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in concert with heavier forces or in more specialized roles. Thus the Army was optimized to provide forward-positioned power, rather than the flexible power projection capability desired today.

Operations Desert Shield and Storm against Iraq epitomized that Army. Relatively light infantry brigades from the 82<sup>nd</sup> Airborne Division were able to move to Saudi Arabia rapidly, but the limited power of these forces was considered by many to pose a high level of risk. The first heavy division, the 24<sup>th</sup> Infantry Division, did not close for approximately seven weeks, and then it took several more months to bring the Army's heavy power to bear. However, once in place, the Army with the other Services, demonstrated its dominant power, power that has only grown since.

In the years following Desert Storm, the Army's units were adapted to execute a series of what have been called small-scale contingencies, such as in Haiti and the Balkans, and operations other than war, while remaining a mix of powerful but strategically ponderous heavy forces and strategically mobile but light forces. In concert with the Department of Defense (DoD), the Army recognized that the misalignment between national security demands and the structure of the force could not continue and embarked on a broad transformation effort in 1999 designed to reshape the nation's military. Among other key goals of this effort is radically improving strategic responsiveness to create a force that is capable of true power projection—dominant, rapid, and flexible. The two words of the phrase “power projection” are both key. To be strategically responsive, the military must be able to *rapidly move or project* forces that have *sufficient power and capabilities* to execute a broad spectrum of missions. Embedded in this thinking is extending the mindset of *employing while deploying* (from *deploying before employing*) from the Army's traditional early entry forces, such as the 82<sup>nd</sup> Airborne Division, to the total Army, which has critical implications for deployment flows and sustainment capabilities.

Events since the transformation effort began have only reinforced calls for improved response at multiple levels. Rapid global response of small but highly capable force packages may be needed to respond to strategic surprise or to take advantage of fleeting opportunities. For other events rapid response of larger forces, or even the credible threat of such response, can dynamically change a situation and increases the flexibility that our nation's leaders have to respond.



## Speeding Up Deployment & Employment - Strategic Framework

There are three interlocking levers or approaches for improving strategic responsiveness, by which I mean the potential for the rapid deployment and immediate employment of forces with the necessary capabilities. These are (1) force design, (2) lift and port capabilities, and (3) force positioning.

*Force design:* what has to be deployed to accomplish a mission, both initially and to support the force? This lever has significance at all levels of "forces" from tactical maneuver formations to theater opening and infrastructure assets. It encompasses not only changing what a force needs to fight, but also what it needs to be sustained. Another aspect is whether a force is ready to go when called or whether actions, such as cross-attaching units or cross-leveling personnel, must occur before it can begin moving.

*Lift and port capabilities:* what resources are available to move and sustain forces - or in other words at what rate can they be moved? This lever includes not only actual airlift and sealift assets but also the capabilities of the air and seaports, enroute stops, or other access points, through which forces and supplies must move.

*Force positioning:* how far do forces and sustainment stocks have to be moved and what types of lift assets are required once a final decision for the deployment of forces to a contingency location is made? Forward basing and prepositioning of equipment or supplies are both force positioning strategies. Other methods of positioning, such as training rotations, can provide a temporary "forward position" or sustain a long-term position without permanent forward unit basing.

All three are being leveraged by DoD transformation efforts to improve strategic responsiveness. Maximum effectiveness can be achieved by addressing them together. As has been recognized, particularly with regard to force design, changes in one area can offer or limit opportunities in another. For example, the type of equipment in a force can change the feasible types of lift assets, the expense of procurement can limit prepositioning (but also reduce the need for it), and force design can even affect the throughput capability of ports. In other cases, the three approaches can be considered as the three dimensions of a trade-space. There can be

multiple paths to achieving similar strategic response capabilities, with the three approaches presenting different costs and benefits.

National strategic responsiveness goals define the needed balance among the three. How fast does the nation want to be able to respond to different types of contingencies? Are likely threats well defined in terms of location and type or is uncertainty high? How many concurrent or nearly concurrent contingencies does the nation want the capability to respond to? In some cases, the answers to these questions will greatly constrain the solution set, as only one path to goal achievement will be viable. For example, if rapid, heavy force response speed is required, such forces must either be in place at the likely contingency location or flexibly prepositioned.

## **Force Design**

In the area of force design, I will describe one facet of the Army's drive to transform; the resulting development of the Stryker Brigade Combat Team (SBCT), and the way in which it augments other joint expeditionary capabilities.

### **A. Army Transformation: Development of New Maneuver Forces**

As a key part of its transformation effort, the Army is developing forces that can deploy more rapidly than its traditional heavy forces, yet carry more combat power than its light units. The Army wants to offer national leaders and combatant commanders better Army response options than those the nation faced in August of 1990, just after Iraqi forces had invaded Kuwait. In order to move rapidly both to meet the Iraqi threat and to reassure friends and allies, the nation sent the relatively light 82nd Airborne Division. The initial brigade and then the remainder of the division arrived in Saudi Arabia quickly, but it was seen as vulnerable if Iraq had attacked out of Kuwait into Saudi Arabia. Units of the heavy 24th Infantry Division offered a more robust defense, but came by sea arriving weeks later.

The Army plans for a future force centered around the Future Combat Systems (FCS) that will be mobile, lethal, and survivable, yet deployable globally in just 96 hours -- a goal that, if met, will go a long way toward eliminating the tradeoff between strategic response time and combat power. The first such unit, leveraging substantial new technology, will not be fully

operational until the next decade. However, the Army determined that sufficient technology was already available to apply many of the concepts envisioned for future force tactical formations. Thus, to develop lessons for future forces, to improve strategic responsiveness in the interim, and to provide new tactical capabilities, the Army is fielding SBCTs. SBCTs, which employ the Stryker medium-weight wheeled armored vehicles for protected ground mobility, are based upon new organizational design concepts and built around the best available sensor and communications technologies to enhance situational awareness and employ emerging network-centric warfare concepts.

The Stryker brigades -- two of which already have been built -- fall between the Army's long-standing heavy-light divide, and offer national leaders protected, mobile firepower designed to leverage joint force capabilities that can deploy quickly by air, if necessary, like the 82nd Airborne Division. While somewhat heavier and less capable than envisioned future force units, SBCTs are about half the weight of Army tank and mechanized infantry brigade combat teams yet offer significantly more firepower, survivability, and tactical mobility than light infantry brigades. More importantly, their weight is low enough for air deployment to provide response speed value. Generally, brigade-sized heavy units cannot deploy by air faster than they can deploy by a combination of surface modes of transportation. By contrast, the airlift requirement for a Stryker brigade is small enough for air deployment to be a valuable option as part of a broader rapid response strategy in situations in which it is critical to have an armored ground force somewhere quickly. As an example, a Stryker brigade could get from Ft. Lewis, Washington, to Skopje, Macedonia in about 7.5 days, under certain conditions. Thus, SBCTs offer combatant commanders a new early entry force option for prompt power projection that can quickly follow forced-entry operations conducted by units such as Army Ranger battalions or serve as the initial entry force in more permissive conditions.

Building upon the experience of XVIII Airborne Corps' Division Ready Brigades, which train and deploy as integrated brigade combat teams, SBCTs and the Army's new maneuver units of action have been designed from the start as fully integrated combined arms organizations ready for deployment without the need for extensive tailoring. This recognizes the first activity that contributes to deployment time: planning and putting together the force. Building a complete package ahead of time takes this activity off of the critical path and provides a force that has habitually trained together for both deployment and combat operations. Also departing

from recent design schemes, it is designed to accept modules of capability from other units, maintaining within the brigade itself only those capabilities needed on a day-to-day basis.

## B. SBCTS IN A JOINT PERSPECTIVE

SBCTs also give regional combatant commanders new choices between deployment speed and functional capabilities. In functional terms, the SBCT is substantially larger than the ground element of a Marine Expeditionary Unit (Special Operations Capable) (MEU(SOC)) and similar in size to the ground element of a Marine Expeditionary Brigade (MEB). A MEU(SOC) is a highly capable combined arms formation based on a Marine infantry battalion. It typically has a small fixed and rotary wing air element, an artillery battery, and a platoon of M1 tanks. Its ground mobility is provided by approximately a dozen each of Light Armored Vehicles (LAV) and Amphibious Assault Vehicles (AAV). A MEU(SOC) is typically deployed afloat within a combatant commander's geographic area of responsibility and available on very short warning. Its strengths are its almost immediate availability and the versatility of its components. In recent conflicts it has been employed hundreds of miles inland, although its maneuver ability is limited by the difficulty of moving AAVs by air and its limited intrinsic ground mobility assets. A MEB is a much larger formation nominally consisting of a regimental combat team and associated artillery and armor assets, a composite aircraft group, and a support element. Its ground mobility can be augmented as needed to accomplish the assigned mission, but it is designed to approach a conflict area from prepositioned ships. An SBCT can be viewed as providing an *air deployable* option with substantial ground combat capability complementary to such organizations as Army forcible entry units, MEU(SOC)s, MEBs, or Air Expeditionary Force (AEF) Task Forces.

Where MEUs are forward deployed at sea they will likely be the regional commander's fastest option for contingencies near the littoral. SBCTs would be preferred in circumstances where the situation is deep inland and/or there is a need for a larger, highly mobile ground force or one with its unique combat capabilities. (Each SBCT has 300+ Strykers, and the entire SBCT is 100% self-mobile.) As discussed later, partial prepositioning can make the SBCTs more rapidly deployable with less dependence on airlift than complete deployments from home stations. Additional capabilities can be added through Army aviation and/or deployment in conjunction with an Air Force AEF Task Force. A MEB might be employed where significantly



more sea-based combat power is needed. Or a MEB and an SBCT could be employed together when the initial response force must be relatively large, with one deploying by sea and one by air.

### **Lift and Port Capabilities**

There are two main components of throughput capability: lift assets and how much each transportation node or port can handle. This discussion will focus primarily on nodal throughput capabilities for air deployments, which are critical for the rapid response of non-prepositioned early entry forces.

#### **A. Airfield Capacity and Implications for Airlift**

Nodes consist of air and seaports of embarkation, enroute bases, and ports of debarkation. In many recent operations -- Somalia, Albania/Kosovo, and Afghanistan -- airfield operational and force reception capacity has been the major constraint on deployment speed. Analysis of recent deployments indicates that U.S. forces will often deploy to airfields that can simultaneously handle and receive the cargo of three or fewer C-17 aircraft—and sometimes even that capacity will not all be available to military forces because other organizations are using the same airfield. For example, during operations in Albania associated with the Kosovo crisis, aircraft moving U.S. forces had to share the airfield at Rinas with humanitarian flights.

These examples demonstrate the important interaction between deployment distance, force size, and node throughput capability. For a given combination of these three elements, one can determine the number of aircraft needed to fill the “air bridge” and minimize time. For extreme distances, it takes a relatively large number of aircraft to fill the bridge, even when airfield throughput is fairly low. So to support rapid deployments from the Continental U.S. (CONUS) to places like Central Africa, Central Asia, or South Asia, it would take large amounts of airlift, probably requiring increases to the U.S. strategic lift fleet. Conversely, when the route is short, deployment speed becomes a function of airfield throughput and the number of total flights; more aircraft simply cannot be used effectively. A force that requires a lot of flights to move, such as a traditional heavy armor brigade, will take a long time to deploy by air whether it

is close to, or far from, its objective. Thus forward positioning of a heavy force is only valuable if it is in place at the contingency location or can easily be moved into position such as through afloat prepositioning.

## **B. Increasing Airfield Throughput**

Limitations stemming from the throughput capabilities and locations of airfields have prompted calls for new air-lift platforms that need little or no runway. Alternatively, with the right force design, it appears possible to boost the throughput capacity of many airfields beyond traditional levels during initial entry operations. This can be done by finding ways to improve aircraft offload, clearing equipment from the airfield, and improving other elements of aircraft turn-around time. In fact, actual aircraft turnaround times for initial unit deployments, especially those dominated by rolling stock as would that of an SBCT be, appear to be much shorter than DoD planning factors, e.g., an average of 45 minutes in Albania compared with the planning factor of 105 minutes. During the Army's first SBCT air deployment exercise, aircraft turnaround times at the arrival airfield averaged less than 30 minutes. This is an example of synergy between force design and throughput. For the initial deployment, virtually all SBCT flights will only have wheeled vehicles, which can quickly drive out of military aircraft as soon as the ramp hits the ground.

## **Force Positioning**

In this section I will discuss two types of force positioning: unit stationing and equipment prepositioning.

### **A. Forward Unit Stationing or Temporary Forward Deployment**

Heavy units, whether Army or Marine, are difficult to deploy and employ rapidly unless the units, or at least most of their equipment, are positioned close to a contingency location. And while light enough for air deployment to provide value, a Stryker brigade still requires 35 to 50% of the organic strategic airlift fleet to maximize response speed from CONUS, depending upon

the deployment location. This appears to be at the upper edge of what is historically reasonable based upon *situations in which it is critical to move an armored ground force somewhere quickly*. To achieve the 7.5-day time from Ft. Lewis to Skopje in the earlier example, it would take an allocation of 38 percent of the 2005 strategic airlift fleet. Forward stationing, even temporarily, would reduce the strain on airlift to below 10 percent of the 2005 fleet for this scenario, offering the combatant commander greater ability to simultaneously deploy other capabilities such as AEF Task Forces or Special Operations Forces. This airlift benefit is different in nature for a SBCT or medium weight force than for a heavy force, which would still have a lengthy air deployment time.

## **B. Prepositioning of Unit Equipment**

An alternative to forward unit positioning is the prepositioning of its equipment, an approach well accepted by the U.S. military. Afloat prepositioning has long been used by the Marine Corps, along with some ashore prepositioning. Ashore prepositioning has been used extensively by the Army in conjunction with increasing use of afloat prepositioning, and the Air Force has been prepositioning ammunition and other supplies both ashore and afloat.

There are three forms of prepositioning of unit equipment. If a specific location is deemed critical and there are base access possibilities, equipment can be stored on land very close to or even at the potential contingency location. Examples include heavy brigade sets in Kuwait that were prepositioned in response to the Iraqi threat, sets positioned in Germany during the Cold War, and equipment sets in South Korea today. A second option is the use of theater-oriented prepositioning on ships such as the Diego Garcia brigade used by the 3<sup>rd</sup> Infantry Division in Operation Iraqi Freedom or the Marine Maritime Prepositioning Squadrons. A third is theater positioning, but on land to be moved by ship in the event of a contingency, as at Qatar prior to Operation Iraqi Freedom. The second and third forms of prepositioning, both of which require movement by ship to a contingency location, are much more flexible but also require the use of strategic warning to close on the desired location quickly. The value of having equipment on a ship is that it can be moved at relatively low financial cost and without making a firm national commitment.

### **C. A New Approach to Prepositioning**

With a view to the cost of procuring full sets of SBCT brigade equipment, not to mention the costs of developing the future force and recapitalizing current equipment, the Army initially assumed that prepositioning whole SBCT sets of equipment would be too expensive. A more affordable approach, now being proposed by the Army, would be to preposition the less expensive equipment assets, such as trucks and trailers, and supplies. Then when a contingency requirement develops, the combatant commander could deploy the high-cost assets, such as the Stryker vehicles, by air. This approach reduces airlift requirements by about 60 percent, yet the SBCT's trucks account for only about 10 percent of the brigade's total equipment costs. This enables either faster deployment than airlifting an entire brigade from CONUS or a similar deployment response time but with greatly reduced airlift assets. The latter again enables the combatant commander to simultaneously move other units.

### **D. Operationalizing Prepositioned Equipment for Rapid Response**

Prepositioning for the swift strategic response requirements being discussed today, whether of selected assets or full brigade sets of equipment, requires changes in the Army's prepositioning paradigm along several dimensions. First, movement of afloat prepositioned equipment upon strategic warning would clearly be necessary. While this is not under Army control, the Army can influence this decision by making the benefits clear to national leaders and regional combatant commanders. Second, prepositioned items should be loaded to minimize organization time after download to enable almost immediate employment. Third, download should be practiced more frequently and as part of operational exercises to improve Tactics, Techniques, and Procedures to achieve the maximum effective potential and ensure organizations are well trained. Significantly, prepositioned packages of support vehicles and supplies could be used to support a wide array of different Army or Marine units so long as care were taken to load ships to support such flexibility. Further, Army afloat prepositioning of supplies might be expanded to leverage sea basing concepts that facilitate immediate sustainment, such as afloat warehouses or maintenance activities, rather than just being used to



deliver supplies. At a minimum, prepositioned supplies should be better configured for immediate use upon download.

## Conclusions

The Army is implementing many changes to transform into an expeditionary-based force with improved strategic response capabilities. These include changes in both combat forces and sustainment capabilities. The SBCT is an example of a force design that provides combatant commanders with new expeditionary capabilities. In particular, it is a mobile, light armor, *air-deployable* brigade-sized unit, providing a new combination of response speed and flexibility and combat capability. In this respect, the SBCT complements other unique capabilities such as the Naval Services' MEU(SOC)/Amphibious Ready Group combination.

The value of such forces to expeditionary warfare can be enhanced by positioning units or their equipment outside CONUS. For SBCTs, a mix of limited permanent forward unit stationing (e.g., the SBCT to be stationed in Germany), rotational or temporary basing, and selected prepositioning of equipment and supplies (now being pursued by the Army), is likely the best strategy, as different potential contingency locations and situations impose disparate opportunities and constraints. For other unit types and strategic response needs, different combinations of force stationing, movement resources, and prepositioning may be "optimal." Concurrently, the Army is working at making its sustainment capability more strategically flexible. It recognizes that a flexible, responsive, networked joint sustainment capability is essential. Key to making this work is quickly establishing adequate theater force reception capabilities to enable simultaneous employment, sustainment, and continued deployment.

The "best" strategic response solution set depends on how fast is fast enough to each region of the world, what capabilities are needed to respond to contingencies in the various regions, and the potential basing and prepositioning site options in each region. However, given the swiftness of response desired, the physical limits of force design options, and the great uncertainty with regard to threats, prepositioning appears to have a critical role to play in flexible strategic response strategies for the future. In particular, it is a valuable option for improving the deployability of initial forces in large operations—both combat and theater opening, and for improving the ability to quickly and decisively respond to small-scale contingencies.

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**GAO****Testimony****Before the Subcommittee on Readiness,  
Committee on Armed Services, House of  
Representatives**

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**MILITARY  
PREPOSITIONING****Observations on Army and  
Marine Corps Programs  
During Operation Iraqi  
Freedom and Beyond**

Statement of William M. Solis, Director,  
Defense Management and Capabilities

**GAO-04-562T**

March 24, 2004



Highlights of GAO-04-562T, a testimony before the Subcommittee on Readiness, Committee on Armed Services, House of Representatives

## MILITARY PREPOSITIONING

### Observations on Army and Marine Corps Programs During Operation Iraqi Freedom and Beyond

#### Why GAO Did This Study

Since the Cold War, the Department of Defense (DOD) has increased its reliance on prepositioned stocks of military equipment and supplies, primarily because it can no longer plan on having a large forward troop presence. Prepositioned stocks are stored on ships and on land in the Persian Gulf and other regions around the world. Prepositioning allows the military to respond rapidly to conflicts. Ideally, units need only to bring troops and a small amount of materiel to the conflict area. Once there, troops can draw on prepositioned equipment and supplies, and then move quickly into combat.

Today's testimony describes (1) the performance and availability of Army and Marine Corps prepositioned equipment and supplies to support Operation Iraqi Freedom (OIF); (2) current status of the stocks and plans to reconstitute them; and (3) key issues facing the military as it reshapes these programs to support DOD's force transformation efforts.

GAO's observations are based on ongoing work as well as previous reports on equipment accountability, supply distribution, and other logistics issues during OIF, plus other past work on spare parts shortages and on the readiness of prepositioning programs.

#### What GAO Found

The importance of prepositioned stocks was dramatically illustrated during OIF. While they faced some challenges, the Army and Marine Corps relied heavily on prepositioned combat equipment and supplies to decisively defeat the Iraqi military. They both reported that prepositioned stocks were a key factor in the success of OIF. Prepositioned stocks provided most of the combat equipment used and, for the most part, this equipment was in good condition and maintained high readiness rates. However, the Army's prepositioned equipment included some older models of equipment and shortfalls in support equipment such as trucks, spare parts, and other supplies. Moreover, the warfighter did not always know what prepositioned stocks were available in theater, apparently worsening an already overwhelmed supply-and-distribution system. The units were able to overcome these challenges; fortunately, the long time available to build up forces allowed units to fill many of the shortages and adjust to unfamiliar equipment.

Much of the prepositioned equipment is still being used to support continuing operations in Iraq. It will be several years—depending on how long Iraqi Freedom operations continue—before these stocks will be available to return to prepositioning programs. And, even after they become available, much of the equipment will likely require substantial maintenance, or may be worn out beyond repair. The Army has estimated that it has an unfunded requirement of over \$1 billion for reconstituting the prepositioned equipment used in OIF. However, since most prepositioned equipment is still in Southwest Asia and has not been turned back to the Army Materiel Command for reconstitution, most of the funding is not required at this time. When the prepositioned equipment is no longer needed in theater, decisions will have to be made about what equipment can be repaired by combat units, what equipment must go to depot, and what equipment must be replaced with existing or new equipment to enable the Army to reconstitute the prepositioned sets that were downloaded for OIF.

DOD faces many issues as it rebuilds its prepositioning program and makes plans for how such stocks fit into its future. In the near term, the Army and Marines must necessarily focus on supporting ongoing OIF operations. While waiting to reconstitute its program, the Army also has an opportunity to address shortfalls and modernize remaining stocks. For the longer term, DOD may need to (1) determine the role of prepositioning in light of efforts to transform the military; (2) establish sound prepositioning requirements that support joint expeditionary forces; and (3) ensure that the program is resourced commensurate with its priority and is affordable even as the force is transformed. Congress will play a key role in reviewing DOD's assessment of the cost effectiveness of various options to support its overall mission, including prepositioning and other alternatives for projecting forces quickly.

[www.gao.gov/cgi-bin/getrpt?GAO-04-562T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-562T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact William M. Solis at (202) 512-8365 or [wsolw@gao.gov](mailto:wsolw@gao.gov).

United States General Accounting Office

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Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to discuss our work on logistical issues related to Operation Iraqi Freedom (OIF), focusing on prepositioned stocks. Since the end of the Cold War, the Department of Defense (DOD) has increased its reliance on prepositioned reserves of military equipment and supplies since it can no longer plan on having a large forward troop presence. Prepositioned stocks are stored on ships and on land in the Persian Gulf and other regions around the world. Prepositioning can speed response times. Ideally, the military needs only to bring troops and a small amount of materiel to the area of conflict. Once there, troops can draw on prepositioned equipment and supplies, and then move rapidly into combat.

My statement today reflects our preliminary observations drawn from ongoing work as well as previously published reports. As requested, my testimony today will focus on the performance, reconstitution, and future of prepositioning programs. Specifically, it describes (1) the performance and availability of Army and Marine Corps prepositioned equipment and supplies to support OIF; (2) the current status of the stocks and plans to reconstitute them; and (3) key issues facing the military as it reshapes these programs to support the military's force transformation efforts.

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## Summary

The importance of prepositioned stocks was dramatically illustrated during OIF. While they faced some challenges, the Army and Marine Corps relied heavily on prepositioned combat equipment and supplies to decisively defeat the Iraqi military. The following summarizes our preliminary observations and issues to consider for the future.

- Army and Marine Corps officials reported that prepositioned stocks were a key factor in the success of OIF. Prepositioned stocks provided a significant amount of the combat equipment used by the Army and the Marine Corps. For the most part, the prepositioned combat systems were in good condition and reportedly maintained high readiness rates throughout the war. However, the Army's prepositioning program had some less-than-modern equipment and had shortfalls, such as trucks, spare parts, and other items. Moreover, the warfighters did not always know what prepositioned sustainment stocks were available in theater, apparently worsening an already overwhelmed theater supply-and-distribution system. While these challenges were not insurmountable to the units, they did slow them down. Fortunately, the long time available to build up forces allowed U.S. forces to fill many of the shortages and adjust to unfamiliar equipment.



- Much of the prepositioned equipment is still being used to support continuing operations in Iraq. It will be several years—depending on how long Iraqi Freedom operations continue—before these stocks will be available to return to prepositioning programs. And, even after these stocks become available, much of the equipment will likely require substantial maintenance, or it may be worn out beyond repair. The Army has estimated that it has an unfunded requirement of over \$1 billion for reconstituting the prepositioned equipment used in OIF. However, since most prepositioned equipment is still in Southwest Asia and has not been turned back to the Army Materiel Command for reconstitution, most of the funding is not required at this time. When the prepositioned equipment is no longer needed in theater, decisions will have to be made about what equipment can be repaired by combat units, what equipment must go to depot, and what equipment must be replaced with existing or new equipment to enable the Army to reconstitute the prepositioned sets that were downloaded for OIF. In the interim, both the Army and Marines have kept some land- or sea-based prepositioned stocks in the Pacific to cover a possible contingency in that region.
- The defense department faces many issues as it rebuilds its prepositioning program and makes plans for how such stocks fit into the future. In the near term, the Army and the Marine Corps must necessarily focus on supporting ongoing operations in OIF. And while it may be several years before most prepositioned assets are available to fully reconstitute the Army's programs, opportunities exist to address shortfalls and selectively modernize the remaining stocks. For the longer term, the department may need to rethink its prepositioning programs to ensure that they are in sync with overall transformation goals and the evolving military strategy. Some changes are already underway. For example, the Army and Marine Corps are pursuing sea-basing ideas—where prepositioning ships could serve as floating logistics bases. Importantly, DOD needs to consider affordability. The drawdown of Army forces made prepositioning a practical alternative in recent years because the service had ample equipment. However, as the services' equipment is transformed or recapitalized, it may not be practical to buy enough equipment for units to have one set at their home station and another set in prepositioning. Consideration of the cost of various options will be critical as the department evaluates alternatives for transforming its force structure to achieve future mission objectives. Congress will have a key role in reviewing the department's assessment of the cost-effectiveness of options to support DOD's overall mission, including mobility and force projection.

In responding to your request, we conducted work that included officials from Headquarters, U.S. Army and U.S. Marine Corps, Washington, D.C.; Army Field Support Command, Rock Island, Illinois; Combat Equipment

Group-Afloat, Goose Creek, South Carolina; and Blount Island Command, Jacksonville, Florida. At these locations, we interviewed officials familiar with prepositioning issues during OIF as well as plans for the future. We reviewed and obtained relevant documentation and performed analyses of reconstitution and options for the future. We also reviewed after-action reports on OIF and Operation Desert Storm. We obtained service estimates for funding prepositioned stocks requirements, but we did not validate these estimates. In addition, we drew on the preliminary results of our ongoing reviews of OIF lessons learned and OIF reconstitution and on our recent reports on OIF supply and distribution issues, Stryker deployment, and Army spare parts shortages. We also relied on our 2001 report on Army war reserve spare parts shortages, 1998 report on prepositioning in the Army and the Air Force, and early 1990s reports on Operation Desert Storm.<sup>1</sup> We performed our work in March 2004 in accordance with generally accepted government auditing standards.

## Background

The basic purpose of prepositioning is to allow DOD to field combat-ready forces in days rather than in the weeks it would take if the forces and all necessary equipment and supplies had to be brought from the United States. However, the stocks must be (1) available in sufficient quantities to meet the needs of deploying forces and (2) in good condition. For prepositioning programs, these factors define "readiness." If on-hand stocks are not what is needed—or are in poor condition—the purpose of prepositioning may be defeated because the unit will lose valuable time obtaining or repairing equipment and supplies. U.S. forces had months to build up for OIF, so speed was not imperative. Prepositioning sites became reception and staging areas during the months leading up to the war, and afforded the military the necessary time and access in Kuwait to build up its forces for the later offensive operations of OIF.

<sup>1</sup> U.S. General Accounting Office, *Defense Logistics: Preliminary Observations on the Effectiveness of Logistics Activities during Operation Iraqi Freedom*, GAO-04-305R (Washington, D.C.: Dec. 18, 2003); *Military Transformation: Realistic Deployment Timelines Needed for Army Stryker Brigades*, GAO-03-801 (Washington, D.C.: June 30, 2003); *Defense Inventory: The Army Needs a Plan to Overcome Critical Spare Parts Shortages*, GAO-03-705 (Washington, D.C.: June 27, 2003); *Defense Inventory: Army War Reserve Spare Parts Requirements Are Uncertain*, GAO-01-425 (Washington, D.C.: May 10, 2001); *Military Prepositioning: Army and Air Force Programs Need to Be Reassessed*, GAO/NSIAD-99-6 (Washington, D.C.: Nov. 16, 1998); *Operation Desert Shield/Storm: Impact of Defense Cooperation Account Funding on Future Maintenance Budgets*, GAO/NSIAD-93-179 (Washington, D.C.: June 10, 1993); and *Operation Desert Storm: Early Performance Assessment of Bradley and Abrams*, GAO/NSIAD-92-94 (Washington, D.C.: Jan. 10, 1992).

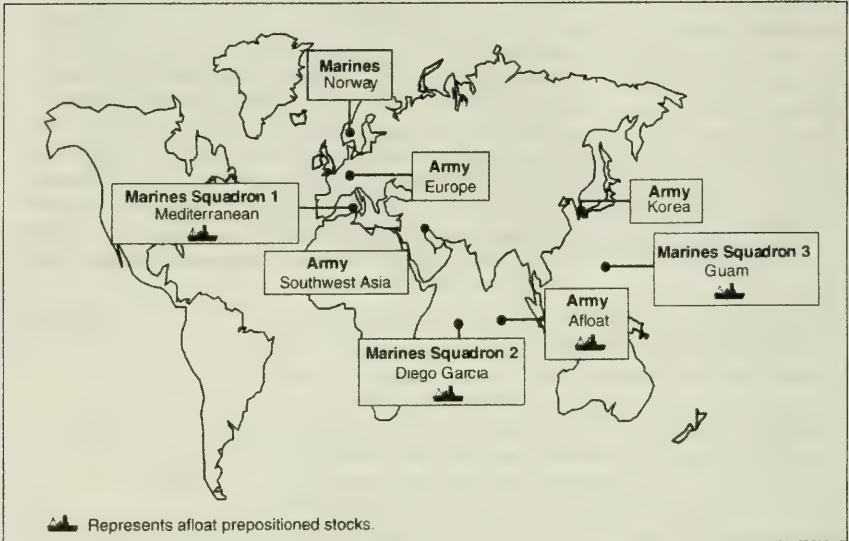
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Prepositioning programs grew in importance to U.S. military strategy after the end of the Cold War, particularly for the Army. Recognizing that it would have fewer forward-stationed ground forces—and to support the two-war strategy of the day—the Army used equipment made available from its drawdown to field new sets of combat equipment ashore in the Persian Gulf and in Korea. It also began an afloat program in the 1990s, using large ships to keep equipment and supplies available to support operations around the world. The Marine Corps has had a prepositioned capability since the 1980s. Its three Marine Expeditionary Forces are each assigned a squadron of ships packed with equipment and supplies—the Marines view this equipment as their “go-to-war” gear. Both the services also have retained some stocks in Europe, although the Army stocks have steadily declined since the end of the Cold War.<sup>2</sup> Today, the Army has sites in the Netherlands, Luxembourg, and Italy, while the Marine Corps retains stocks in Norway. Figure 1 shows the location of Army and Marine Corps prepositioned equipment prior to OIF.

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<sup>2</sup> U.S. General Accounting Office, *Army War Reserves: DOD Could Save Millions by Aligning Resources with the Reduced European Mission*, GAO/NSIAD-97-158 (Washington, D.C.: Jul. 11, 1997).

Figure 1: Location of Army and Marine Prepositioned Equipment Prior to OIF



Sources: Army and Marine Corps data

Prepositioning is an important part of DOD's overall strategic mobility calculus. The U.S. military can deliver equipment and supplies in three ways: by air, by sea, or by prepositioning. Each part of this triad has its own advantages and disadvantages. Airlift is fast, but it is expensive to use and impractical for moving all of the material needed for a large-scale deployment. Although ships can carry large loads, they are relatively slow. Prepositioning lessens the strain on expensive airlift and reduces the reliance on relatively slow sealift deliveries. However, prepositioning requires the military to maintain equipment that essentially duplicates what the unit has at home station. Moreover, if the prepositioned equipment stocks are incomplete, the unit may have to bring along so



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much additional equipment that using it could still strain lift, especially scarce airlift in the early days of a conflict.

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## Prepositioned Equipment Performed Well in OIF, Despite Shortfalls and Other Logistical Challenges

The Army and Marine Corps reported that their prepositioned equipment performed well during OIF but that some problems emerged. We reviewed lessons-learned reports and talked to Army and Marine Corps officials who managed or used the equipment. We heard general consensus that major combat equipment was generally in good condition when drawn and that it performed well during the conflict. However, Army officials said that some equipment was out-of-date and some critical items like trucks were in short supply and parts and other supplies were sometimes not available. The officials agreed that, overall, OIF demonstrated that prepositioned stocks could successfully support major combat operations.

Most of the issues we heard were with the Army's program. Marine Corps officials reported few shortfalls in their prepositioned stocks or mismatches with unit equipment. This is likely due to two key differences between the services. First, the Marines view prepositioned stocks as their "go-to-war" gear and give the stocks a very high priority for fill and modernization. Second, the units that will use the prepositioned stocks are assigned in advance and the Marine Corps told us that the combat units feel a sense of "ownership" in the equipment. This manifests itself in important ways. For example, the Marines have periodic conferences with all involved parties to work out exactly what their ships will carry and what the units will need to bring with them to the fight. Such an effort to tailor the prepositioned equipment increases familiarity, allows for prewar planning, and thus minimizes surprises or last-minute adjustments. The Marines also train with their gear periodically. By contrast, the Army does not designate the sets for any particular unit and provides little training with the equipment, especially with the afloat stocks.

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## Prepositioned Combat Equipment Performed Well

Personnel who used and managed the equipment agreed that the tanks, infantry fighting vehicles, and howitzers were in good condition when they were drawn from the prepositioned stocks; moreover, the equipment generally stayed operational throughout the fight. For example, the Third Infantry Division after-action report said that new systems and older systems proved to be very valuable and the tanks and Bradleys were both lethal and survivable. Additionally, according to Army Materiel Command documents, combat personnel reported that their equipment, in many cases, worked better than what they had at home station. Moreover, operational readiness data we reviewed showed that major combat

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equipment stayed operational, even in heavy combat across hundreds of miles. In fact, officials from both services agreed that OIF validated the prepositioning concept and showed that it can successfully support major combat operations. Moreover, the U.S. Central Command, in an internal lessons-learned effort, concluded that prepositioned stocks "proved their worth and were critical in successfully executing OIF."

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### Some Prepositioned Equipment Was Out-of-Date or Did Not Match Unit Needs

Some of the Army's prepositioned equipment was outdated or did not match what the units were used to at home station. At times, this required the units to "train down" to older and less-capable equipment or bring their own equipment from home. Examples include:

- **Bradleys**—The prepositioned stocks contained some older Bradley Fighting Vehicles that had not received upgrades installed since Operation Desert Storm. Such improvements included items like laser range finders, Global Positioning System navigation, thermal viewers, battlefield identification systems, and others. In addition, division personnel brought their own "Linebacker" Bradleys instead of using the outdated prepositioned stocks that would have required the crew to get out of the vehicle to fire.
- **M113 Personnel Carriers**—The prepositioned stocks contained many older model M113A2 vehicles. This model has difficulty keeping up with Abrams tanks and requires more repairs than the newer model M113A3, which the units had at home station.
- **Trucks**—The prepositioned stocks included 1960s-vintage model trucks that had manual transmissions and were more difficult to repair. Most units now use newer models that have automatic transmissions. The effect of this was that soldiers had to learn to drive stick shifts when they could have been performing other tasks needed to prepare for war; in addition, maintenance personnel were unfamiliar with fixing manual transmissions.
- **Tank Recovery Vehicle**—The prepositioned stocks contained M-88A1 recovery vehicles. These vehicles have long been known to lack sufficient power, speed, and reliability. We reported similar issues after Operation Desert Storm.<sup>3</sup> According to data collected by the Army Materiel Command, these vehicles broke down frequently, generally could not keep up with the fast-paced operations, and did not have the needed capabilities even when they were in operation.

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<sup>3</sup> GAO/NSIAD-92-94.

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None of these problems, however, were insurmountable. The U.S. forces had months to prepare for OIF, and plenty of time to adjust to the equipment they had available. Additionally, the U.S. forces faced an adversary whose military proved much less capable than U.S. forces.

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### Army Faced Spare Parts Shortfalls and Theater Distribution Issues

Our preliminary work also identified shortfalls in available spare parts and major problems with the theater distribution system, which were influenced by shortages of trucks and material handling equipment. Prior to OIF, the Army had significant shortages in its prepositioned stocks, especially in spare parts. This is a long-standing problem. We reported in 2001 that the status of the Army's prepositioned stocks and war reserves was of strategic concern because of shortages in spare parts.<sup>4</sup> At that time the Army had on hand about 35 percent of its stated requirements of prepositioned spare parts and had about a \$1-billion shortfall in required spare parts for war reserves.

Table 1 shows the percentage of authorized parts that were available in March 2001 in the prepositioned stocks that were later used in OIF. These stocks represent a 15-day supply of spare and repair parts for brigade units (Prescribed Load List) and for the forward support battalion that backs up the brigade unit stocks (Authorized Stockage List). While the goal for these stocks was to be filled to 100 percent, according to Army officials the Army has not had sufficient funds to fill out the stocks. In March 2002, the Army staff directed that immediate measures be taken to fix the shortages and provided \$25 million to support this effort. The requirements for needed spare and repair parts were to be filled to the extent possible by taking stocks from the peacetime inventory or, if unavailable there, from new procurement.

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<sup>4</sup> GAO-01-425.

**Table 1: Status of Army Unit Spare Parts Available in Afloat and Selected Land-Based Prepositioned Sets in March 2001<sup>a</sup>**

Location	Unit type	Type of spare parts	Percent fill of authorization
Afloat	Brigade set	ASL	63
		PLL	60
	Corps Support	ASL	0
		PLL	30
	Theater Support 1	ASL	18
		PLL	15
	Theater Support 2	ASL	0
		PLL	6
Qatar	Brigade set	ASL	13
		PLL	19
	Division base	ASL	0
		PLL	0

Legend: ASL= Authorized Stockage List, PLL=Prescribed Load List

Source: Army Materiel Command

<sup>a</sup>Information is provided for prepositioned sets later used in OIF that were managed by the Army Materiel Command. Army Central Command managed the Kuwait set.

By the time the war started in March of 2003, the fill rate had been substantially improved but significant shortages remained. The warfighter still lacked critical, high-value replacement parts like engines and transmissions. These items were not available in the supply system and could not be acquired in time. Shortages in spare and repair parts have been a systemic problem in the Army over the past few years. Our recent reports on Army spares discussed this issue<sup>5</sup> and, as previously noted, our 2001 report highlighted problems specifically with prepositioned spares. According to Army officials, the fill rates for prepositioned spare parts—especially high-value spares—were purposely kept down because of systemwide shortfalls. The Army's plan to mitigate this known risk was to have the units using the prepositioned sets to bring their own high-value spare parts in addition to obtaining spare parts from non-deploying units.

<sup>5</sup> GAO-03-705.



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Nonetheless, according to the Third Infantry Division OIF after-action report, spare parts shortages were a problem and there were also other shortfalls. In fact, basic loads of food and water, fuel, construction materials, and ammunition were also insufficient to meet the unit sustainment requirements.

The combatant commander had built up the OIF force over a period of months, departing from doctrinal plans to have receiving units in theater to receive the stocks. When it came time to bring in the backup supplies, over 3,000 containers were download from the sustainment ships, which contained the required classes of supply—food, fuel, and spare parts, among others. The theater supply-and-distribution system became overwhelmed. The situation was worsened by the inability to track assets available in theater, which meant that the warfighter did not know what was available. The Third Infantry Division OIF after-action report noted that some items were flown in from Europe or Fort Stewart because they were not available on the local market. Taken together, all these factors contributed to a situation that one Army after-action report bluntly described as “chaos.”

Our recent report on logistics activities in OIF described a theater distribution capability that was insufficient and ineffective in managing and transporting the large amount of supplies and equipment during OIF.<sup>6</sup> For example, the distribution of supplies to forward units was delayed because adequate transportation assets, such as cargo trucks and materiel handling equipment, were not available within the theater of operations. The distribution of supplies was also delayed because cargo arriving in shipping containers and pallets had to be separated and repackaged several times for delivery to multiple units in different locations. In addition, DOD’s lack of an effective process for prioritizing cargo for delivery precluded the effective use of scarce theater transportation assets. Finally, one of the major causes of distribution problems during OIF was that most Army and Marine Corps logistics personnel and equipment did not deploy to the theater until after combat troops arrived, and in fact, most Army personnel did not arrive until after major combat operations were underway.

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<sup>6</sup> GAO-04-305R.

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## Continuing Support of Operations Will Likely Delay Reconstitution

Forces are being rotated to relieve personnel in theater. Instead of bringing their own equipment, these troops are continuing to use prepositioned stocks. Thus, it may be several years—depending on how long the Iraqi operations continue—before these stocks can be reconstituted.

The Marine Corps used two of its three prepositioned squadrons (11 of 16 ships) to support OIF. As the Marines withdrew, they repaired some equipment in theater but sent much of it back to their maintenance facility in Blount Island, Florida. By late 2003, the Marine Corps had one of the two squadrons reconstituted through an abbreviated maintenance cycle, and sent back to sea.<sup>7</sup> However, to support ongoing operations in Iraq, the Marine Corps sent equipment for one squadron back to Iraq, where it is expected to remain for all or most of 2004. The Marine Corps is currently performing maintenance on the second squadron of equipment that was used during OIF, and this work is scheduled to be completed in 2005.

Most of the equipment that the Army used for OIF is still in use or is being held in theater in the event it may be needed in the future. The Army used nearly all of its prepositioned ship stocks and its ashore stocks in Kuwait and Qatar, as well as drawing some stocks from Europe. In total, this included more than 10,000 pieces of rolling stock, 670,000 repair parts, 3,000 containers, and thousands of additional pieces of other equipment. According to Army officials, the Army is repairing this equipment in theater and reissuing it piece-by-piece to support ongoing operations. Thus far, the Army has reissued more than 11,000 pieces of equipment, and it envisions that it will have to issue more of its remaining equipment to support future operations. Thus, it may be 2006 or later before this equipment becomes available to be reconstituted to refill the prepositioned stocks. Officials also told us that, after having been in use for years in harsh desert conditions, much of the equipment would likely require substantial maintenance and some will be worn out beyond repair. Figure 2 shows OIF trucks needing repair.

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<sup>7</sup> Marine Corps officials told us that they focused on getting equipment repaired to a mission-capable status, but did not return the equipment to the high standard to which it is normally maintained.

Figure 2: Some Trucks Used in OIF that Need Repair



Source: U.S. Army

Both the Army and the Marine Corps have retained prepositioned stocks in the Pacific to cover a possible contingency in that region. While the Marine Corps used two of its three squadrons in OIF, it left the other squadron afloat near Guam. The Army used most of its ship stocks for OIF, but it still has a brigade set available in Korea and one combat ship is on station to support a potential conflict in Korea, although it is only partially filled. Both the Army and the Marine Corps used stocks from Europe to support OIF. The current status of the services' prepositioned sets is discussed in table 2.

Table 2: Current Status of Selected Prepositioning Programs (as of March 2004)

	Location	Status
Army	Kuwait and Qatar	The equipment and supplies from these locations are still in use to support continuing operations in Iraq.
	Korea	This brigade set of equipment is currently filled to approximately 90 percent.
	Afloat	Equipment and supplies from 10 of 11 ships were downloaded to support OIF and most of this equipment remains in Iraq or Kuwait. One combat ship has been partially filled to support two Army battalions. One ammunition ship remains on station and another is in its maintenance cycle. The Army is also working to reconstitute equipment for a support ship and another combat ship, but it is unclear how much equipment will be available to source these requirements.
	Europe	Stocks in Luxembourg, the Netherlands, and Italy have been depleted to support ongoing operations.
Marines	Afloat (Guam)	This 6-ship squadron was not used in OIF and has almost its full complement of stocks.
	Afloat (Mediterranean)	One ship has been downloaded in support of OIF and another has been partially downloaded. This squadron's equipment is currently filled to about half of its requirement and will complete its normal maintenance cycle in 2005.
	Afloat (Diego Garcia)	This squadron's equipment was used during the first phase of OIF, was repaired to combat condition but not to normal standards, and has been downloaded for reuse in Iraq.
	Norway	Stocks in Norway were used to support OIF. Currently, the stocks have approximately two-thirds of the authorized equipment.

Source: U.S. Army and U.S. Marine Corps data.

Army and Marine Corps maintenance officials told us that it is difficult to reliably estimate the costs of reconstituting the equipment because so much of it is still in use. As a result, the reconstitution timeline is unclear. Based on past experience, it is reasonable to expect that the harsh desert environment in the Persian Gulf region will exact a heavy toll on the equipment. For example, we reported in 1993 that equipment returned from Operation Desert Storm was in much worse shape than expected because of exposure for lengthy periods to harsh desert conditions. The Army has estimated that the cost for reconstituting its prepositioned equipment assets is about \$1.7 billion for depot maintenance, unit level maintenance, and procurement of required parts and supplies. A request for about \$700 million was included in the fiscal year 2004 Global War on Terrorism supplemental budget, leaving a projected shortfall of about \$1 billion. Army Materiel Command officials said they have thus far received only a small part of the amount funded in the 2004 supplemental for reconstitution of the prepositioned equipment, but they noted that not much equipment has been available. Additionally, continuing operations in Iraq have been consuming much of the Army's supplemental funding intended for reconstitution. Since much of the equipment is still in Southwest Asia, it is unclear how much reconstitution funding for its prepositioned equipment the Army can use in fiscal year 2005. But it is



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clear that there is a significant bill that will have to be paid for reconstitution of Army prepositioned stocks at some point in the future, if the Army intends to reconfigure the afloat and land-based prepositioned sets that have been used in OIF.

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## Issues Facing the Prepositioning Program

The defense department faces many issues as it rebuilds its prepositioning program and makes plans for how such stocks fit into the transformed military. In the near term, the Army and the Marine Corps must focus on supporting current operations and reconstituting their prepositioning sets. Moreover, we believe that the Army may be able to take some actions to address the shortfalls and other problems it experienced during OIF. In the long term, however, DOD faces fundamental issues as it plans the future of its prepositioning programs.

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### Near-Term Issues

As it reconstitutes its program, the Army would likely benefit from addressing the issues brought to light during OIF, giving priority to actions that would address long-standing problems, mitigate near-term risk, and shore up readiness in key parts of its prepositioning program. These include

- ensuring that it has adequate equipment and spare parts and sustainment supplies in its prepositioning programs, giving priority to afloat and Korea stocks;
- selectively modernizing equipment so that it will match unit equipment and better meet operational needs; and
- planning and conducting training to practice drawing and using prepositioned stocks, especially afloat stocks.

Based on some contrasts in the experiences between the Army and the Marine Corps with their prepositioned equipment and supplies in OIF, some officials we spoke to agree that establishing a closer relationship between operational units and the prepositioned stocks they would be expected to use in a contingency is critical to wartime success. The Marines practice with their stocks and the Army could benefit from training on how to unload, prepare, and support prepositioned stocks, particularly afloat stocks. While the Army has had some exercises using its land-based equipment in Kuwait and Korea, it has not recently conducted a training exercise to practice unloading its afloat assets. According to Army officials, such exercises have been scheduled over the past few years, but were cancelled due to lack of funding.

## Long-term Issues

The long-term issues transcend the Army and Marines, and demand a coordinated effort by the department. In our view, three main areas should guide the effort.

- **Determine the role of prepositioning in light of the efforts to transform the military.** Perhaps it is time for DOD to go back to the drawing board and ask: what is the military trying to achieve with these stocks and how do they fit into future operational plans? If, as indicated in Desert Storm and OIF, prepositioning is to continue to play an important part in meeting future military commitments, priority is needed for prepositioning as a part of transformation planning in the future.
- **Establish sound prepositioning requirements that support joint expeditionary forces.** If DOD decides that prepositioning is to continue to play an important role in supporting future combat operations, establishing sound requirements that are fully integrated is critical. The department is beginning to rethink what capabilities could be needed. For example, the Army and Marines are pursuing sea-basing ideas—where prepositioning ships could serve as offshore logistics bases. Such ideas seem to have merit, but are still in the conceptual phases, and it is not clear to what extent the concepts are being approached to maximize potential for joint operations. In our view, options will be needed to find ways to cost-effectively integrate prepositioning requirements into the transforming DOD force structure requirements. For example, Rand recently published a report suggesting that the military consider prepositioning support equipment to help the Stryker brigade meet deployment timelines.<sup>8</sup> Such support equipment constitutes much of the weight and volume of the brigade, but a relatively small part of the costs compared to the combat systems. Such an option may be needed, since our recent report revealed that the Army would likely be unable to meet its deployment timelines for the Stryker brigade.<sup>9</sup>
- **Ensure that the program is resourced commensurate with its priority, and is affordable even as the force is transformed.** In our view, DOD must consider affordability. In the past, the drawdown of Army forces made prepositioning a practical alternative because it made extra equipment available. However, as the services' equipment is transformed and recapitalized, it may not be practical to buy enough equipment for

<sup>8</sup> Eric Pelty, John M. Halliday, and Aimee Bower, *Speed and Power: Toward an Expeditionary Army* (Santa Monica, Calif.: Rand Arroyo Center, 2003).

<sup>9</sup> U.S. General Accounting Office, *Army Stryker Brigades: Assessment of External Logistics Support Should Be Documented for the Congressionally Mandated Review of the Army's Operational Evaluation Plan*, GAO-03-484R (Washington, D.C.: Mar. 28, 2003).

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units at home station and for prepositioning. Prepositioned stocks are intended to reduce response times and enable forces to meet the demands of the full spectrum of military operations. Once the future role of prepositioning is determined, and program requirements are set, it will be important to give the program proper funding priority. Congress will have a key role in reviewing the department's assessment of the cost effectiveness of options to support DOD's overall mission, including prepositioning and other alternatives for projecting forces quickly to the far reaches of the globe.

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Mr. Chairman, I hope this information is useful to Congress as it considers DOD's plans and funding requests for reconstituting its prepositioned stocks as well as integrating prepositioning into the department's transformation of its military forces.

This concludes my prepared statement. I would be happy to answer any questions that you or the Members of the Subcommittee may have.

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## Contacts and Acknowledgments

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**QUESTIONS AND ANSWERS SUBMITTED FOR THE  
RECORD**

MARCH 24, 2004

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## QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. Gentlemen, we have really been fortunate and blessed as a nation to have had so few maritime casualties, at least in the last 15 years, followed by just cause, followed by the first Gulf War, Kosovo, Bosnia, 2nd Gulf War.

And I am very much a supporter of the pre-positioned ships and the roll-on/roll-off ships, but I remember reading a long time ago a paper by someone at the War College on what he thought was the vulnerability of having so many of our possessions on one or two ships.

In your testimony here, you talk about having, in fact, all the equipment on one ship. Now, I happen to remember that the *Princeton* was taken out by one mine, 1812 vintage.

The *Cole*, unfortunately, was taken out of commission by something not much bigger than a rowboat. Seeing that our opponents have shown themselves to be pretty clever on occasion, what is the contingency when one of these ships, if and when, one of these ships is taken down en route to a conflict?

I certainly hope that it is never, but I believe in preparing for the worst and hope it never happens.

General RYAN. Military Sealift Command (MSC) ships supporting Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) in March 2004 were under the force protection plan called Guardian Mariner. Operation Guardian Mariner (GM) consisted of teams from 92d Infantry Brigade of the Puerto Rican National Guard trained in shipboard force protection and embarked on all MSC ships supporting OIF/OEF. GM units embarked on the ships at the Continental United States (CONUS) port of embarkation, traveled with the ship throughout its deployment to the Central Command area of responsibility, and then returned to CONUS for debarkation.

GM teams consisted of 12 personnel under the leadership of a junior officer or a senior enlisted soldier. Team's equipment included M2 .50Cal machine guns, M203 grenade launchers, and M60 machine guns. Teams were trained in specific devices used to warn off casual approaches to the ship.

As of 1 June 2004, the Navy has taken full responsibility for the force protection of MSC ships through the implementation of Operation Vigilant Mariner (VM). Weapons mix is the same as the GM teams. VM utilizes surface and air escort as well as embarked U.S. Navy security teams. These U.S. Navy security teams are embarked when deemed necessary by the Navy area commander based on threat and operational risk management. Navy area commanders conduct continuous port vulnerability surveys using Navy Criminal Investigative Service (NCIS) and other operational personnel in expectation of Navy and MSC ship visits.

The Navy area commanders are currently using embarked VM teams in Europe (five teams), Central Command (11 teams), and in Far East (one team). In Europe, VM teams embark or debark ships at Rota, Spain or Souda Bay, Greece for transit of the Straits of Gibraltar. Suez Canal transits are covered by host nation support usually provided by the Egyptian Navy air or surface forces. MSC ships in Central Command embark and debark VM teams in Fujairah in the Gulf of Oman prior to transiting the Strait of Hormuz into the Arabian Gulf. The VM team stays on the ship while it is in the Arabian Gulf and disembarks upon its return to Fujairah. In addition to the VM team, ships transiting the Strait of Hormuz have a US Navy or Allied escort, dependent on the threat condition. The VM team in the Far East has not yet been routinely employed. Ships transiting the Straits of Malacca receive Allied or U.S. Navy escort if the threat dictates.

If an Army Prepositioned Stocks (APS) ship were lost while enroute to a conflict, the Army has several courses of action (COA) that it can execute: 1) transfer a similar ship from another Army Regional Flotilla (ARF) and take risk in the Combatant Commander area from which this ship was removed; 2) request the U.S. Transportation Command/Military Sealift Command replace the APS ship with another Large Medium Speed Roll-On/Roll-Off ship in the surge fleet; 3) replace the ship with another available DoD ship from the Ready Reserve Fleet; or 4) replace the APS ship with a commercial merchant ship.

In addition to the ship loss, the Army would need to replace supplies and equipment lost with the vessel. COA 1, using a substitute ARF ship, would mitigate or eliminate these losses. Other COAs, which replace only the vessel and not its cargo, would require allocation and transportation of other APS landbased or APS afloat-based assets.

Mr. TAYLOR. General Neller, What is the compliment of maritime security personnel onboard the Red Cloud to provide physical protection for the ship? What are your con ops for maritime security? What constitutes the fallback? What policies are in effect for force protection of ships.

General NELLER.

What are your conops for maritime security?

Naval Component Commanders (NCC) set forth security requirements for ships in their Area of Operational Responsibility. For all MSC ships, a threat-based Operational Risk Management approach is used to determine the security requirements, using ship flag, type of ship, type of cargo, mission, location, etc. Once requirements are set, the NCC uses available assets to provide that security, i.e. host nation support, embarked security teams, military warship escorts, high-speed transits, Random Antiterrorism Measures (RAM), etc.

What constitutes the fallback?

When a military security team is not embarked, MSC ships rely on a 5-10 man Ship Reaction Force comprised of designated crewmembers. This force has security training and can be armed with 9mm, M-14 and 12-gage small arms. As contract and civilian mariners, they have the right of self-defense, rather than an offensive capability but are limited to the inside the lifelines of the ship. In extreme situations, the ship's mission may be modified or cancelled at the direction of the Fleet Commander.

What policies are in effect for force protection of ships?

As directed by Secretary of Defense memorandum of 3 October 2003, the U.S. Navy is responsible for the force protection of all military sealift assets, effective 01 June 2004. The Military Sealift Command's (MSC) shipboard physical security program provides guidance to each MSC ship on maintaining an onboard security program to meet potential aggression. The command places high emphasis on force protection and has in place programs such as DOD Level I AT/FP training for all mariners, MSC Level II AT/FP schools for training antiterrorism officers for each vessel and small arms and a modest number of small arms qualified crewmembers.

Additionally, MSC ships employed in the war on terror are equipped with chemical, biological and radiological protective gear for crewmembers, and all crewmembers have been trained in their use. All MSC crews have been inoculated against anthrax and smallpox. All MSC ships are also in compliance with the new Maritime Transportation Security Act and the International Ship and Port Security Code. However by their nature as non-combatants crewed by civilian mariners, they must rely on outside assistance, beyond their organic, self-defense capabilities in high threat areas. Accordingly, MSC is actively engaged with the Navy's Vigilant Mariner Program, which provides 12-man armed military security teams to embark MSC ships when required. Presently 17 teams are available (11 in Central Command, 5 in European Command and 1 in Pacific Command). MSC ships are also supported by the geographic commander/host nations who ensure adequate force protection through the provision of escort services in high threat areas, port regulations and security procedures that abate AT/FP vulnerabilities.

#### QUESTIONS SUBMITTED BY MR. MCKEON

Mr. McKEON. General Neller, I heard somewhere that we had kind of changed strategy and instead of using some of the prepositioned equipment, where the troops showed up and were having to fight with equipment they weren't used to, that they were bringing more of their own equipment. Do we know what percent of their own equipment they brought with them versus what percent was used from prepositioned equipment right now in Iraq or since we have been in Iraq?

General NELLER. We do not know what percent of I Marine Expeditionary Force (I MEF) equipment in Operation Iraqi Freedom II (OIF II) was brought with I MEF versus what percent came from prepositioned equipment.

We do know that the Marine Corps has not changed its strategy of utilizing prepositioned equipment. The Maritime Prepositioning Force (MPF) program provides our forces with an optimal equipment and supplies (E/S) set to support a Marine Expeditionary Brigade (MEB) sized force (14,400 Marines and Sailors) in an expeditionary environment for 30 days of sustained operations.

Based on the MPF concept, operational requirements, and MPF squadron positioning, E/S are available to support rapid responses where time is a critical factor in executing the mission. During OIF I, our MPF program figured prominently as 11 of our 16 ships offloaded their E/S for forces arriving in theater. All 11 of these ships were completely offloaded in 18 days. However, equipment packages supporting OIF II forces did not mandate rapid offload of prepositioned equipment (only 3 of 16 ships offloaded their E/S), as force structure was already in place and I MEF could rely more on organically deployed equipment. This enabled the Marine Corps to focus on repairing equipment utilized during OIF I while rebuilding the MPF program into three fully capable squadrons. Utilizing a large amount of MPF equipment to support OIF II forces would have degraded our ability to address other potential contingencies.

Current Marine Corps policy states that Maritime Prepositioning Ships (MPS) are our top readiness priority. To ensure our operating forces have the best available equipment, our MPSs undergo a 36-month MPF Maintenance Cycle (MMC). Over this 36-month period, the MMC supports all 16 MPSs. During this cycle all MPF E/S are rotated, replaced, modernized, and/or upgraded. Historically, MPF equipment readiness remains above 98 percent. Our goal is to sustain this rate while undertaking OIF II/III/IV operations. The operating forces may choose to deploy organic assets as augments to MPF capabilities when modernization cycles have not been completed.





**FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—LOGISTICS: LESSONS FROM OPERATION IRAQI FREEDOM AND LOGISTICS TRANSFORMATION**

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HOUSE OF REPRESENTATIVES,  
READINESS SUBCOMMITTEE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC, Tuesday, March 30, 2004.*

The subcommittee met, pursuant to call, at 2 p.m., in room 2118 Rayburn House Office Building, Hon. Joel Hefley (chairman of the subcommittee) presiding.

**OPENING STATEMENT OF HON. JOEL HEFLEY, A REPRESENTATIVE FROM COLORADO, CHAIRMAN, MILITARY READINESS SUBCOMMITTEE**

Mr. HEFLEY. If the witnesses will take their seats, we will begin the hearing.

Good afternoon. And welcome to the Readiness Subcommittee's hearing on logistics support during OPERATION IRAQI FREEDOM. I have asked witnesses to meet with us today to provide testimony on the logistical challenges and issues during the OPERATION IRAQI FREEDOM, and to hear testimony on the proposed solutions to these logistics challenges.

The logistical system that supported OPERATION IRAQI FREEDOM was able to support the operation, but not without what has been referred as brute logistics. The Third Infantry Division, the first Army division from Kuwait into Iraq reported many units operated dangerously low on ammunition, fuel, water and other sustainment items. Improved planning, the creation of sea and shore based prepositioned stocks and investments in both air and sealift resulted in significantly smaller quantities of supplies shipped into the theater compared to what had been sent forward in the first Gulf War. The visibility of supplies falling into the theater was the best ever. However, once it got to the theater, the visibility became more opaque the closer it got to the user unit.

In 1995, almost ten years ago, Dr. Paul Kaminski, the Under Secretary of Defense for Acquisition Technology and Logistics gave a speech on the future battlefield and the importance of logistics. In that speech he said: "The Department's logistic systems are complex and different for each service. A major system integration effort is needed—battlefield awareness, knowing the logistics posture of friendly and enemy forces, as well as having a prediction of the re-supply needs of each force element. To complete the logistics picture, available support and the need for future support must be propagated from each force element in the field through the whole support system. This is total asset visibility.

"Today I will lay out the grand vision one with logistics integrated into the overall war fighting framework . . . We are at a unique time where there is a confluence of several events to make realization of this vision possible."

What I'd like to hear from the witnesses today to what extent the words of Dr. Kaminski are still true today.

Finally let me add that I recognize logistics is difficult. I believe it is inaccurate to compare the Department of Defense logistics process to a Wal-Mart store. But fighting a battle, the soldier does not return a brick and mortar facility, pick out what he wants, pay for it and then drive back to the battle. Rather, he needs a communication system that he can rely upon to tell those soldiers far behind what he needs, followed by a quick delivery to a place yet unknown, because he is not necessarily standing still.

Now I would like to turn to Mr. Ortiz for any comments that he might like to make.

**STATEMENT OF HON. SOLOMON P. ORTIZ, A REPRESENTATIVE FROM TEXAS, RANKING MEMBER, MILITARY READINESS SUBCOMMITTEE**

Mr. ORTIZ. Thank you, Mr. Chairman.

I join you in welcoming our panel this afternoon. Gentlemen, welcome to this hearing today.

You know, there is a saying that amateurs talk about tactics, but experts study logistics. And I believe that is true, and we are lucky to have all these experts with us today. And thank you again for being with us.

The great success that we observed during the war in Iraq was a result of the heroic efforts of thousands of service members and the Department of Defense civilians. Though the daring exploits of combat forces often make the news, we know it is the hard work of many logistical units and agencies working around the clock to provide those warfighters what they need when they need it. We do not thank those people often enough, so please tell them that we are very proud of the work that they do.

But that war was one not without logistical challenges. I am pleased to see that the Department of Defense is looking at transformational concepts to address some of the lessons learned in the desert. I think the distribution process owner concept emerging in Transportation Command (TRANSCOM) has great promise. That sort of examining disability is important to allow optimization to the distribution system as a whole.

Like you, Mr. Chairman, I am unconvinced about the analogies to civilian market-driven supply systems. The measure of a successful military operation is not peacetime efficiencies, it is war-time effectiveness. I am concerned that civilian models do not make allowances for friction and fog on the modern battlefield.

Last December, the General Accounting Office reported, and this is what they said, "One of the major causes of the distribution problems during OIF was that most Army and Marine Corps logistic personnel and equipment did not deploy to the theater until after the combat troops arrived. And, in fact, most Army personnel did not arrive until after major combat operations were underway."

It also said logistics personnel were not adequately trained in various logistic functions such as operating material, handling equipment, and managing theater distribution centers. Clearly, the war in Iraq stretched out our logistical capability. But we should be careful that we learn the proper lessons, that we observe the systematic flow, or a problem made worse by a nontraditional deployment process that did not account for needed logistical force structure early enough in the conflict. Do we need a technical solution or is it simply a matter of training our people properly?

These are the questions I hope you will address in your testimony.

Gentlemen, once again, thank you and I look forward to your statement.

Thank you, Mr. Chairman.

Mr. HEFLEY. And thank you, Mr. Ortiz.

I would like to introduce our witnesses and ask you to summarize your statements. And without objective, your entire statements will be placed in the record.

First, Vice Admiral Keith W. Lippert, Director, Defense Logistics Agency; Lieutenant General Claude V. Christianson, Deputy Chief of Staff, G4, Department of the Army; Major General Robert T. Dail, Director of Operations, TCJ3, United States Transportation Command; and Brigadier General Edward G. Usher, III, Assistant Deputy Commandant for Installations and Logistics, U.S. Marine Corps.

#### **STATEMENT OF FIRST VICE ADM. KEITH W. LIPPERT, DIRECTOR, DEFENSE LOGISTICS AGENCY**

Mr. HEFLEY. Admiral, are you the lead-off hitter here.

Admiral LIPPERT. Yes, sir I am.

Mr. HEFLEY. All right. We will expect you to get on base and these guys will bring you around.

Admiral LIPPERT. Okay. All right. Yes, sir.

Good afternoon, Mr. Chairman, Mr. Ortiz, and distinguished members of the subcommittee. Today, it is my privilege to represent the professionals of the Defense Logistics Agency. And I appreciate this opportunity to testify on DLA's efforts with the Office of the Secretary of Defense and the services in preparing for .

As DOD's logistic combat support agency, we acquire a large of variety of consumable items; food, fuel, medical supplies, clothing, construction and barrier material and more than 90 percent of the military service's weapon system repair parts, both in times of peace and war. We also receive, store, and issue DLA and military service assets at our 22 distribution depots located in the continental United States and at key sites overseas. Our Defense Reutilization and Marketing Service oversees the reuse and disposal of excess property.

In July of 2002, the Deputy Under Secretary of Defense for Logistics, Manpower and Readiness discussed with me the requirement to prepare for a possible conflict in Iraq. Based on OSD guidance, experienced DLA planners began working with the services' planners to identify what we would need to support a potential near term conflict. As a direct result of their efforts, using \$924 million provided by the OSD comptroller, DLA acquired the



planned items to meet the increased operational tempo. These items consisted of spare and repair parts for critical aviation, land and maritime weapon systems, clothing, subsistence, medical supplies and fuel. For spare parts, we identified items we believed would have the greatest demands and bought ahead of the actual demands. These activities ensured availability of critical parts when the need for these items surged dramatically.

High on our list were meals ready to eat, or MREs, with production requirements of 350,000 per day and the Joint Service Lightweight Integrated Suit Technology ensemble. The decision to acquire these and other items before executing proved to be very, very effective. As a result of changes in the entire logistic and supply chain process, DLA maintains only inventories of critical long-lead time and high-demand items. If the items and quantities are readily available in the marketplace, the supplies are shipped directly to the theater. This is an entirely different approach than was used in both in Vietnam and in Desert Storm.

And, as we compared to lessons learned from previous conflict, our preparations were good in some areas, but needed to improve in others.

In some cases, actual demands for items exceeded projections. For example, for the Small Arms Protective Inserts, the SAPI plates you have all heard about, the estimated fiscal year 2003 requirement was \$17 million. For a very good reason, the protection of our American warfighter, the Army increased their requirement for Interceptor Body Armor. Today, all troops in Iraq are equipped with Interceptor Body Armor. By November of 2003, we bought \$370 million of SAPI plates using contracts awarded within 30 days and with an average delivery beginning within 83 days.

Another challenge we did not fully anticipate was the size and duration of the surge impact on our distribution centers. OPERATION IRAQI FREEDOM has been unlike previous actions in that our workload increases continued well beyond the end of the major conflict. It took us time to ramp up. We added overtime and additional shifts, augmented several sites with Reserve forces, redistributed workload among our distribution centers and hired an additional 800 employees.

Some lessons previously learned we applied with great results. We forward-positioned barrier and construction material into Bahrain, items like sand bags and concertina wire for force protection and construction. A real success story in terms of planning and material positioning.

Another improvement over Desert Storm was our deployment of a Defense Logistics Agency (DLA) Contingency Support Team to help expedite cargo shipments and critical items providing immediate response to the warfighter needs.

To improve in-transit visibility, DLA places radio frequency identification tags (RFID) on all Central Command shipments loaded on containers and air pallets, allowing for continuous in-transit visibility. RFID tags are the foundation for the in-transit visibility capability now being developed by the Department of Defense.

To further improve our logistic processes, DLA is a full partner with U.S. Transportation Command, the Joint Munitions Command, and the military services to staff the Central Command's



Deployment Distribution Operations Center or CDDOC pilot. The CDDOC is working to improve theater distribution capability, providing asset visibility and improving container management.

We continue to build on these lessons in developing strategies for the future. To improve the end-to-end logistics process, we are modernizing our technology infrastructure and streamlining our business practices to fully integrate the supply chain.

And finally, Mr. Chairman, DLA remains committed to ensuring that America's fighting forces are the best equipped in the world.

Thank you. I look forward to answering your questions.

[The prepared statement of Admiral Lippert can be found in the Appendix on page 571.]

Mr. HEFLEY. Thank you, Admiral.

General

#### **STATEMENT OF LT. GEN. CLAUDE V. CHRISTIANSON, DEPUTY CHIEF OF STAFF, G4, DEPARTMENT OF THE ARMY**

General CHRISTIANSON. Thank you very much Mr. Chairman, Congressman Ortiz, other distinguished members of the committee. I'm honored to be here with you today.

I would like to first thank you for the tremendous support you continue to provide our men and women in uniform and thank you also for the support you provide to their families.

OPERATION IRAQI FREEDOM was a spectacular logistics achievement. Without question, the overriding reasons for that success were the skills, dedication and commitment of an integrated logistics team of soldiers and civilians. These professionals developed innovative solutions to a range of challenges caused by major capability gaps in our logistics processes. These men and women were well trained, committed to mission success and dedicated to our nation. I could not be prouder of what they accomplished, and I am hopeful that all Americans understand the magnitude of what they did and can share my pride.

The achievements of our logisticians are especially significant in light of the fact that they were asked to support a 21st Century battlefield with a mid-20th Century logistics structure. In general, our logistics systems, procedures and organizations were not ideally suited to support the rapid combat operations that defined the vast Iraqi battlefield. This modern battlefield is characterized by widely dispersed operations connected by lines of communications that are not secure. The pace of operations in this battlefield is rapid with forces being reorganized as rapidly as the enemy situation changes. This new battlefield challenged our logisticians like never before. Despite that challenge, logistic success permeated the operation.

As an example, for the first time in our history, we saw the simultaneous deployment, employment and sustainment of U.S. forces. There were approximately 168,000 forces in the coalition land component when the ground war started. Less than three weeks later, there were over 215,000 forces on the ground. This achievement was truly historic and paints a picture of how we will conduct operations in the future.

The execution of the bulk petrolatum mission will go down in history as a monumental accomplishment. Under a single com-

mand and control element, the petrolatum specialists of the Army as well as those from the Marines and the United Kingdom performed miracles everyday. By comparison, some units in Operation Desert Storm ran out of fuel during a four-day operation that covered less than 200 miles. During Iraqi Freedom a period of intense operations that spanned 30 days and over 800 miles, there were no fuel issues. This was truly a remarkable success.

During OPERATION IRAQI FREEDOM the logisticians of the Army, Marines and the United Kingdom and later other coalition partners were colocated in a single multifunctional headquarters. This colocation was fundamental to enabling the support vital to operational success. The logisticians of the coalition shared a common view of the battlefield; and from that common view, decisions were made and understood by all. Sharing resources became a normal way of doing business, and it was the key to success. This, too, is a clear picture of our future.

However, as you know, not everything went well. Logisticians were challenged to meet the continuously expanding requirements to properly outfit the force. Critical requirements such as the new chemical protective suits, individual body armor, desert camouflage uniforms and armored HMMWVs were only a few of the items that generated significant challenges for our forward logisticians. The shortage of spare parts in some units became critical as units adjusted to the changing operating environment. The inability of the feeder distribution system to rapidly support forward made those shortages even worse and created second and third order effects that had to be addressed later in the operation.

Our inability to clearly see all of our assets caused too many soldiers and Marines to doubt the support system, and as a result many ordered the same parts over and over gain.

Back in the continental United States, that inability to see created delays. The requirements just were not getting back to the continental United States in time.

We know from this operation that we have to change how we support our forces on the modern battlement. To ensure we fix real problems and not just symptoms, we have to meet three fundamental imperatives.

First, we have to clearly see the operational requirements in real time, no matter where they originate.

Second, we must be able to respond to those requirements with speed and precision.

And third, we must be able to rapidly open theaters in support of a joint expeditionary force.

The Army will reach these imperatives by focusing our efforts on four clear objectives. To sustain combat power, we will develop the ability to see requirements on demand through a logistics information network. We will establish a dedicated satellite network capability down to the battalion level and a logistics common operating picture at each logistics headquarters.

Second, we will develop a responsive theater distribution system enabled by an integrated information system providing in-transit and total asset visibility. The Army's efforts in this area will be in complete harmony with the U.S. Transportation Command in its role as a defense distribution process owner. It is our mutual objec-

tive to establish a seamless distribution system in support of the joint force.

Third, the Army will build a robust modular force reception capability, a dedicated and trained organization able to quickly open a theater for the joint force. This theater opening capability will be able to deploy on the same time line as our combat forces. It will be capable of executing critical sustainment tasks immediately upon entry, and it will provide the commander a single logistics command and control element focused on sustainment leaving the combat force commander free to focus on the combat mission.

Last, we will develop a truly integrated supply chain, a single supply process that leverages all of our Nation's resources in support of a joint interagency and multinational operation. The Army, along with our partners within DOD and industry, will develop an enterprise view of the supply chain fusing joint processes, information system and responsibilities. Customers and logisticians will enter local supporting systems, plug into the sustainment network, and gain end-to-end joint visibility of inventory whether it's in motion or in storage.

We are committed to working with the U.S. Transportation Command, Defense Logistic Agency and our sister services toward this goal.

Our objectives cannot be met alone, though. Accomplishing these four objectives requires integration across all the logistics communities, Army and joint as well as the full support of Congress. I believe the window of opportunity is narrow. If we do not connect our logisticians, improve the capability of the distribution system, modernize force reception and provide an integrated supply system, we will be studying these same lessons after the next conflict. These four goals must be achieved as one. They are interdependent, and the capability delivered by all four is much greater than the sum of their parts.

In closing, Mr. Chairman, I would like to again recognize the outstanding achievement of our logistician during OPERATION IRAQI FREEDOM. I would like to publicly thank all of those who helped carry the load. And I especially want to recognize and remember those logisticians who died delivering sustainment to our forces.

Thank you, Mr. Chairman and thanks to the members of this distinguished committee for your continued support of Army logisticians.

I have submitted my testimony for the record, and I appreciate the opportunity to answer your questions.

[The prepared statement of General Christianson can be found in the Appendix on page 580.]

Mr. HEFLEY. Thank you, General.

General.

#### **STATEMENT OF MAJ. GEN. ROBERT T. DAIL, DIRECTOR OF OPERATIONS, TCJ3, UNITED STATES TRANSPORTATION COMMAND**

General DAIL. Good afternoon, Mr. Chairman, Mr. Ortiz, and the rest of the members here of the subcommittee. It's my pleasure to be with you today and answer questions that you might have about U.S. Transportation Command's role as the defense transportation



manager for the Department of Defense and its emerging role as the distribution process owner.

Having submitted my formal statement, I would only add that it is my privilege to represent the more than 152,000 men and women, military and civilian, that comprise the United States Transportation Command and are serving around the globe today supporting our civilian leadership and supporting regional combatic commanders as they execute the war on terrorism.

I like forward to answering your questions.

[The prepared statement of General Dail can be found in the Appendix on page 563.]

Mr. HEFLEY. Thank you, General.

General.

**STATEMENT OF BRIG. GEN. EDWARD G. USHER, III, ASSISTANT DEPUTY COMMANDANT FOR INSTALLATIONS AND LOGISTICS, U.S. MARINE CORPS.**

General USHER. Good afternoon, Mr. Chairman, distinguished members of the committee.

I have provided testimony to you on the logistics performance of Marine forces during OPERATION IRAQI FREEDOM, on our key logistics efforts for OPERATION IRAQI FREEDOM II, and our logistics modernization direction for the future.

During OPERATION IRAQI FREEDOM, I was privileged to have commanded the first force service support group. The First Marine Expeditionary Forces Logistics Command. The First Force Service Support Group (FSSG) operated within the tactical level of war. We experienced life in that last tactical mile. I witnessed firsthand the tremendous drive and effort of the Marines, sailors and soldiers assigned to the FSSG as they worked through the extremes of enemy action, weather, distance and speed to sustain the powerful punch of the largest Marine force in our history.

Much as been written about some of the logistics shortfalls during combat operations, and I have addressed key shortfalls in my testimony. But the sheer magnitude of operations during the war stand as testimony to the mission accomplishment of all logistic forces during OPERATION IRAQI FREEDOM.

I thank the committee for your continued support and commitment to the readiness of our corps. And I welcome your questions.

Thank you, sir.

[The prepared statement of General Usher can be found in the Appendix on page 595.]

Mr. HEFLEY. Thank you very much, and we want to continue to support you. But it sounds to me, like from the testimony that, by and large, things went pretty well. Under the circumstances, they did a great job and so forth. But it is under those circumstances that I think we want to get to the bottom of it here.

We had all kinds of reports that people were going hungry, that they were running out of ammunition, that they were going thirsty. Were these just fallacies, were these true reports, that we were not getting the supplies? I know we moved awfully fast, and that made it difficult. The sense we got was that the supplies were getting into Kuwait in good shape. But then getting them out to the troops, there was some difficulty. Was that true, General?



General CHRISTIANSON. I think Ed and I probably should answer that question.

Sir, it was true that in the theater, in the supplies, there were shortages, certainly spot shortages on the battlefield primarily caused by two challenges, which I addressed. One is the ability to see the requirements forward. So, if somebody was running short of a supply and the person who had the resources available to them did not know that, they would kind of be standing by waiting for a request. Oftentimes on this rapidly moving battlefield, this is a huge problem.

An analogy might be—in the old days on a perimeter where a platoon one side of the hill was under attack might be running out of ammunition, while on the other side of the hill another company is wondering what all the noise is about. If you take that scenario and put it on this large battlefield and spread it all out, the ability to see those requirements becomes essential to providing support. So if we have a unit, whether it is a company platoon or a battalion that is running short of some supply or food or water, and the person who has the food or water does not know that and he is waiting to deliver tomorrow because that was the plan, we cannot survive like that in the future. And that conductivity, that ability to be in a network, is essential for us to be able to provide that kind of support.

But I can assure you that even though we ran this operation with a much smaller pile of supplies than we did in Desert Storm, we did not run out of anything at the theater level. And I know Ed can talk about spot shortage at the tactical level, because that is where the reports came from.

General USHER. Mr. Chairman, I will tell you that one MEF crossed the line of departure on the 21st of March, we did so with four days of supplies. And that was to take us up to around the vicinity of Al Kut. We knew we were going to be moving fast, but at Al Kut was our point in time to have what we would call an in-placed halt or a stride check to allow the sustainment that was flowing behind that initial maneuver force to move up and position itself to do the replenishment.

The tactics changed. The pressure to reach Baghdad was significant. And so that operational pause, if you will, that was planned for just a short period of time to lead that recaulking, really did not materialize; and so we had to stretch out and pursue on marching to Baghdad.

At that particular point in time, I think is when you will find the spot reports of low supplies. I would not characterize ammunition being in short supply, but certainly MREs and some of the class nine parts because of the volume of the force and having to press another 150 miles to Baghdad moving at full speed.

At that particular point in time, commanders at all levels had to make important decisions on what they were going to take forward with them to continue the fight. And most often times they took ammunition, they took fuel, and they took some of the critical parts they knew they would need. Sometimes the MREs did not go forward in the numbers that they wanted. Not a criticism of the commanders, it is life in that tactical age. That is when some of the shortfalls started to manifest themselves.

I will tell you that most of those were quickly recovered; but again the rate of march, 450 miles and the speed that we were traveling at the tactical level certainly stretched our distribution lines.

I concur with General Christianson. We could have mitigated some of those shortfalls by having better in-transit visibility and a better picture or a common logistics of the battlefield. That we are working on. We are working on that in concert with the other services and DLA to achieve that. But, simply, sometimes the fog and friction of war is such the commanders make difficult decisions.

Admiral LIPPERT. Mr. Chairman, on the MRE issue and the bottled water or the water in general, we monitored it from a DLA perspective working with the Central Command. Our objective was to keep about seven days of MREs in theater at any given time. As I mentioned in my statement, we were consuming about 350,000 MREs a day. We kept, in most cases, seven days. I think the lowest we got to were three days at a given time. But we had three producers in the United States producing at full capacity in order to stay up with the demand that was being put on us, as an example.

Mr. HEFLEY. General, you mentioned a common view of the logistical battlefield. How common was the view? Did you coordinate your efforts logistically or was it a stovepipe kind of uncoordinated, each service doing its own?

General USHER. Sir, I would have to say that for the most part, it was each service doing its own based upon on its logistics plan and concept of operations.

I will tell you that the ability to integrate that information was, to some degree, hampered by the lack of ground communication architecture and the technology to create that level of visibility across the services in that theater to realign critical material and stocks to meet high priority requirements. But largely going in, based upon Title 10 responsibilities, each one of the services planned their own logistics concept of operations. We did have some preliminary planning with the theater support command because we knew going in that they would be responsible for providing common item support. But, again, the planning, I think, was reasonably successful. The challenge we had was that the technology was not there for us to have that degree of visibility, to have the agility needed to move material around on the battlefield.

General CHRISTIANSON. Mr. Chairman, as you remember from my statement, I indicated that we had colocated several logistics elements in one headquarters at my level. So one level above General Usher, we had a Marine logistics command, a logistics element of the United Kingdom, as well the Army logistics elements in the same headquarters. Even though the plans were developed independently for a course of action that was put on a piece of paper, the course of action changed and all the plans change.

The dynamic nature of this battlefield is very important to understand. Our ability to see that together with Marines sitting next to me looking at the same screen allowed us to move ammunition between the Marines and the Army, move water to the U.K., and use U.K. trucks to move Army supplies. And we were able to balance that everyday at the operational level of war to be able to enable support to the tactical level.

So one level above where General Usher was, we had not truly combined in the sense of using a single process, but combined in one headquarters. We were able to do things combined in a joint manner that had not been done before.

Mr. HEFLEY. General Dail, just something as mundane as not having enough trucks, who was responsible? You do not have any authority to buy trucks, do you, or any money to buy trucks? Who is responsible for projecting and knowing how many trucks we need on a battlefield like that and getting them to the battlefield? Is that your responsibility or is that somebody else's?

General DAIL. Mr. Chairman, I represent U.S. Transportation Command, a joint command. and U.S. Transportation Command in that role does not outfit materially units that reside in the services.

I would comment that the problem I think the Army and the Marine Corps are highlighting today that they experienced in combat operations a year ago and in the spring of 2003 is the result of the fact that we were not able to effectively hand-off and synchronize the strategic to operational logistics efforts once it got into the theater, once it got into Kuwait.

In its traditional role, U.S. Transportation Command used to be focused on delivering forces and material from ports of embarkation in the continental United States and in Germany to far away locations to ports of debarkation in places like Kuwait. We accomplished that mission last year and we were able to maintain very good visibility of our force movements, our container movements, and supplies as they went from this port-to-port transit. The problem we ran into last year from U.S. Transportation Command's view was as we handed it off to the combatant commander, the theater commander, U.S. Central Command, and their subordinate components, was that we lost visibility. That there was not one uniformed process. That there were no methods and no command and control processes to optimize our lift platforms, our trucks, our inter-theater airlift in order that we could increase the through put, that we could respond to emerging requirements on the battlefield.

On 16 September of last year, Secretary of Defense Rumsfeld designated my boss, General John W. Handy, Commander of U.S. Transportation Command, as the distribution process owner for the Department of Defense. In that role since September of last year, we have immediately attacked this seam in the logistics process that occurred at the theater level, at the level that General Christianson operated, and the area forward of that linking it with the strategic efforts by the Defense Logistics Agency, U.S. Transportation Command, and the services.

We deployed a series of a team of experts, 63 personnel that Admiral Lippert eluded to in his opening statement, this deployment and distribution operation center. The focus was on the expertise that was provided out of U.S. Transportation Command, the Defense Logistics Agency, and the Joint Munitions Command, professionals, military and civilian, that were schooled in our national processes and how our nation fights and deploys and distributes to overseas locations.

They went in there with their architecture that they were used to working with at the national level. They created their own col-



laborative network and proliferated out from the ports of debarkation in Kuwait a subnetwork of professionals that had visibility on the inbound stocks and had a visibility in the inbound forces that were going to come into the theater. This has greatly improved our performance since a year ago. But that would be U.S. Transportation Command's equity in trying to improve and attack the shortcomings that we identified a year ago.

General CHRISTIANSON. Mr. Chairman, let me try to address your question from two perspectives. First, at the operational level where I was responsible for the planning, which is basically how many trucks do you need; and then second, I would like to address it from the Army level responsible to resource the Army with trucks.

First of all, I will use an example of what happened in the planning process. Our current planning process tells that if we are going to send trucks up 90 miles and back, we can do that turn in one day. And we built our plan around that. Our first turnaround point was just north of the border between Kuwait and Iraq. And at that point, we were going to drop our trailers and come back and get another load.

With that planning factor, we would expect to use the truck every three days to make that round trip. A day up and back, a day to rest and load and then the next day up and back again.

As soon as the operations started, the fastest we got those trucks back was five days. And on the average, it was much more than that. So immediately, as soon as the operation started, we had only 50 percent of the trucks we had planned for just because of the length of time it took to get them back.

That turnaround time was complicated by the tactical situation, the weather and several other factors.

And so the planning factor we used was not accurate. So that caused some issues up front.

Second, we did not get as good as picture of all the requirements as we should have. We had requirements from all of the services as well as the United Kingdom, as well as the PX system and the mail. And every one of those planning factors were way under what we actually had.

As an example, the mail. Today people do not send letters anymore. People send packages. So even though our estimates for the mail delivery were almost right on the mark by weight, they were off by a factor of ten on cube. In other words, where we thought we could deliver mail to a unit in one container every two or three days, it would take seven or eight containers every two or three days. And every one of those, of course, equates to a truck.

So if you were to take the plan apart before the operation and do the analysis, the result would have been they got plenty of trucks. But as soon as we executed the plan, we did not have enough trucks.

And the method we had to give some elasticity, some cushion, was the contract that we started to put in place about the 1st of February to provide us some trucks that could at least take care of our requirements in Kuwait and then later on provide us that first leg up into the southern part of Iraq. And that really was the



reason we were able to sustain the operation. So that's from the operational level.

From the Army level, we are committed to resourcing our units. But as we look to the future, we are going to change the way we construct our transportation corps and make it look more like a distribution organization. And by doing that, I think we will be able to better size the requirement against the mission tasks at hand. And that will help us as we go to the future.

Right now our transportation construct is not based on throughput and distribution. It is based on a layered system of support. And we are changing that as we look to the future.

Mr. HEFLEY. Mr. Ortiz.

Mr. ORTIZ. You know, it is not that it was the first time that we were going into invade Iraq. We were there before ten years ago. And I thought that maybe we would have learned something from the first war because we had been there. But by listening to not only your testimony, but others, I do not think that infrastructure was there. I think we were rushing wanting to go to Iraq. And, in fact, I had soldiers from my state who died when we had that convoy of men that was up in front and got lost. And I had others who were killed.

So my question would be how different would our lessons learned be if those units had been there earlier and in full strength?

General CHRISTIANSON. Congressman, as we look back to Desert Storm and try to understand what happened in the lessons learned, I would propose that we may have learned some of the wrong lessons.

In Desert Storm we had 60 days of supplies stacked up on the docks and available to the forces in the theater before the operation started. So the method of supporting Desert Storm was based more on the cold war methodology, and it was also better aligned with the way our forces are organized today.

This operation had very, very long lines of communication, moved very, very rapidly and required a throughput of support that we really were not structured to do. So we were building our task organizations on the ground.

Some of the findings of GAO, for example, said that logisticians were not trained properly. One of those issues is directly related to distribution center operations which we set up to be able to allow this throughput. And we did not have organizations designed or trained to do that in our Army at the time. So that was one of the challenges that we had to face.

The other issue about Desert Storm compared to this really has to do with the lines of communication themselves. The roads that people traveled on.

In Desert Storm, those are what we would call interior lines of communication. They were secure. So, easily, if you had been in Desert Storm, you could get a false sense of security that going from the rear area to a forward division area was a clear road, did not have to worry about it.

The 507th was on a road that was not secure. And even today, as you know, even hauling from Kuwait up to Baghdad, those lines of communication on the ground or by rail are not secure. And, in fact, even our aircraft as they land are not entirely secure.

So the fundamental difference is we did not take that out of Desert Storm as a lesson learned.

Mr. ORTIZ. Anybody else would like to—

General USHER. Mr. Chairman, let me just talk to you, sir, about your planning concept and our commander's intent for 1 MEF was set out by then Lieutenant General Hagee, who was the 1 MEF commander as we prepared for what would eventually become OPERATION IRAQI FREEDOM.

His intent and his guidance to us in the initial planning process is that we are going to probably go back into the Gulf and back to Iraq. And so we are facing an Iraqi leadership that we faced before on the battlefield. And quite frankly we did not expect the Iraqis to allow us a whole lot of time to get organized again as we did in Desert Storm and Desert Shield to execute combat operations. So General Hagee's guidance was we arrive ready to fight.

And one of the lessons learned from Desert Storm was we had to integrate more combat service support into the combat force that arrived. And so 1 MEF, when we arrived, had an integrated force that had the CSS, combat service support, as well as the combat element, and the aviation combat element already integrated and ready to flow into country as we did to our tactical assembly areas; and within 16 days we were ready if called upon to maneuver across the border and execute an operation.

As General Christianson just pointed out, sir, certainly not to shy away from the responsibilities, we have to take a look at how we coordinate logistics—the lines of communications and the speed in which we maneuvered, and in this case we maneuvered to a far greater degree than we did in Desert Shield and Desert Storm. We faced pockets of enemy resistance far greater than we met previously with that regime.

So those two aspects I feel contributed significantly to the stress on the logistics system in place at the tactical level.

Mr. ORTIZ. In prior hearings, we had the impression given, at least to this Member here, that the Iraqis were going to receive us with wide open arms and welcome; but that was not the case and has never been the case.

And I know we are talking about logistics, but in my personal opinion I do not think we had enough troops on the ground; otherwise, in my opinion, we would never have had this experience we had there.

Do you think that there were enough troops on the ground to do what we needed to do to move the equipment and, like the Chairman said, the water and MREs and all that kind of stuff?

General CHRISTIANSON. In hindsight, Congressman, I would have liked to have had more capacity on the ground. If we had more maneuver troops on the ground covering that same area, the logistics requirements would have just gone up by whatever that amount of maneuver force would have been.

The challenge we have to face and we have to attack in the future is that we are not going to fight war like we are structured today. The way we fought Desert Storm with interior lines of communications and relatively short, even though we went about 200 miles compared to this operation, relatively short duration oper-

ations, we cannot support that kind of an operation with today's force. So we have to change it.

We have to be a distribution-based support structure. We have to rely on throughput. And we have to have a network of communication that allows us to see clearly across the battlefield. If we had that, what we had on the ground would have been able to handle this problem.

It was just complicated by factors outside of our control. And if we would have had many twice as many logisticians, I would be willing to tell you that we still would have some of the problems. Because the problems were not the number of logisticians we had in the theater; the problems were related to communications and distribution. And it would not have been a matter of having more trucks. It would have been a matter of not only having more capacity, but being able to see the requirements.

So I cannot answer the question of whether there were enough there are not. All I can tell you is that if we had better coms, we would have had better visibility, we could have controlled this, and we would have performed a lot better with what we had.

Admiral LIPPERT. Congressman, on the lessons learned perspective, at least from a DLA perspective, I would add that we learned some lessons from Desert Storm and we implemented that as part of DLA in the preparations for this conflict—the advanced planning that we had done at the time, and the money and time to invest almost a billion dollars into material that was going to be required, and we communicated with the services and with OSD so that we knew what those requirements were and we had them in place.

The forward positioning of material, both primarily construction material and concertina wire, was successful in that. It's a lead to DLA, establishing a DLA distribution depot in Bahrain within a year, so we could forward position more material. And I would add that positioning DLA material in theater so that they could communicate logistics requirements back to us, where it was a big lesson learned from previous conflicts.

Mr. ORTIZ. My time is up.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

And, first of all, let me thank you all for what I believe was just a tremendous job. I appreciate the job you did in both your initial planning and also the adaptability that you had. Perhaps there will come a day when we will fight a war where all the conditions are exactly as we predict and we plan, but that certainly will be the exception and not the rule. And I thank you for your ability to adapt to the conditions that you found.

One of the things that we are trying to do, obviously, is work to support that situation in the future. And General Christianson, I know that the Army G-4's logistics white paper identifies connectivity that is integrating logisticians as well as the supply chain through a satellite based communication system as a primary focus area in logistics transformation.

Since so much aviation support now comes from a joint organization, the Defense Logistic Agency, is there value to including all the services in this connectivity initiative?



General CHRISTIANSON. Mr. Congressman, it is absolutely essential that all the services do exactly this. U.S. Transportation Command's role in the distribution process, though, when you are inside that portfolio, tasks include the supply chain itself. And this is part of that. It needs to be a single system, one process, so that we can go in and enter our requirements wherever you are in the DOD supply chain, you can enter your requirements. It will be visible across the supply chain. And whoever has been told to resource those requirements, can get it into the distribution pipeline and deliver it to the point of need. That cannot be done by a single service. It has to be done across all the services and it also has to include agencies such as Admiral Lippert's DLA as well as the GSA who provide some of our supplies as well.

And it has got to include industry. Industry cannot be an independent operator, sending supplies directly into a theater to support. It has got to come into our system so we can see it and control it. Because the biggest lessons learned off this battlefield that will follow us for the rest of our lives is how dynamic it is, how units are having to be moved and reorganized very rapidly as the situation changes. So you may order a part today and it may arrive four days from now, but you will not be where you were when you ordered it. You now may be working with a different unit a 100 miles away, which we found in this operation.

So our distribution process has got to have the flexibility to do that, and that can only happen in a joint interagency process.

Mr. FORBES. Would you foresee us doing more joint logistics training in the future?

General CHRISTIANSON. Absolutely.

Mr. FORBES. How dependent are we on the visibility for air superiority? Is that vitally important to us in terms of you being able to know where supplies go? Does that have a role in that?

I know, just as we look at some of our combat troops, that was incredibly important for us this time. How important is that for any of you in your logistics planning?

General CHRISTIANSON. I think it is secondary in nature. It is not a primary concern of ours. I mean, if we are operating up there logistically, we have air superiority. We are not going to be operating logistics elements forward without it. So it is important from that perspective.

From a perspective of conductivity, we are more concerned about the security of the data, that we are able to access the satellites, and pass our data, and get our information back and forth. That is really the key for us.

And eventually, I think, as we go into a global information grid of the future, where we have got this ubiquitous all over the battlefield, it will be much easier.

Today we are kind of fighting through a bridging mechanism to get to that future. And that is what our initiative tries to attack.

Mr. FORBES. Okay.

General DAIL. Congressman, I would follow up General Christianson's comment that we take very seriously the new role we have at USTRANSCOM to be the distribution process owner for the Department of Defense—to be able to set performance standards and capability standards so that we can integrate all of the



service requirements, wherever they come from on the battlefield, into a repository where we can then quickly optimize our available lift assets whether they are at the theater level or whether they are in the national level, and to deliver those goods that those frontline soldiers need to forward locations. And this is not something I am looking at in the future. I will tell you that just recently Admiral Lippert's organization partnered with USTRANSCOM for packaging items of material for forward stationed soldiers in Iraq and marrying them up with our scheduled channel airlift of C-16 platforms with defensive systems, and trained crews to deliver those packages straight into forward airfields in Northern Iraq. It has been a huge success. And that is just an indication of the kind of benefit that comes from a synchronized effort by the Department of Defense services and agencies under one lead distribution process owner, USTRANSCOM.

Mr. FORBES. Thank you, gentlemen.

Thank you, Mr. Chairman.

Mr. HEFLEY. Ms. Davis

Ms. DAVIS OF CALIFORNIA. Thank you.

Thank you all for being here. I appreciate it. Davis did not sound quite like that to me, Mr. Chairman.

Mr. HEFLEY. You are sitting with Mr. Larson's name in front of you, and I knew you were not Mr. Larson.

Ms. DAVIS OF CALIFORNIA. That is funny.

Mr. HEFLEY. It is just a logistical problem we are trying to deal with here.

Ms. DAVIS OF CALIFORNIA. Again, thank you all for your service.

Have we begun to really take a look at comparisons in terms of the some of the costs involved? I am wondering, transportation for example, General Dail. How do our costs compare to other regional conflicts, other contingencies that we had to face? Are there some things about that that really jump out at you and would cause concern or give us particular lessons learned?

General DAIL. I think that the one thing that we constantly look at, and as a director of operations I view daily at U.S. Transportation Command, are our costs and how we move our forces and material from the continental United States to places far away. Even to places like Haiti and the places in Europe and the Pacific.

What we try to do is we try to maximize on behalf of the American taxpayers. Our sealift and surface movements are at the lowest costs for moving anything in the Department of Defense, and we try to reserve our scarce air assets to move the most critically needed items for regional combatant commanders and for frontline soldiers.

You heard the gentlemen on my left and right talk about the great requirement for body armor, other force protective measures for our American soldiers and Marines and sailors and airmen. We have made a conscious decision to do everything we can to move those kinds of items as expeditiously as possible to frontline soldiers. And we have done that knowing that that's going to be a higher cost. And we fly those items into the theater. But we have purposely made those decisions because it is very important to support our warfighting commanders on the ground.

Meanwhile, we have done everything we can for the other items that Admiral Lippert was talking about earlier, our consumable items, our major force equipment list that goes overseas. We have done everything we can to force those into surface transportation to reduce the cost logistics.

This year, alone in fiscal year 2004, we have already allowed the Army to avoid about \$260 million in costs by the manner in which we have deployed units to replace units that are on the ground today in this rotation of forces that is ongoing. We have been able to allow them to avoid the cost of about \$254 million in over-ocean transportation costs, primarily because we have shifted, done early planning, shifted our assets, and moved the Army units on surface transportation on our grey bottoms and on our commercial partners' platforms.

So we are very conscious about the cost of moving forces and material overseas, and we watch it every day.

Admiral LIPPERT. If I could add a little bit to that question?

We have seen a significant increase, particularly this year because of transportation costs, because of the flying material, required material to get over there. Some of the initiatives that we are trying to do to reduce those costs, as General Dail said, is we have forward positioned a lot of material in Germany at a DLA distribution depot there and are tracking the material into theater. DLA is opening up on the first of August a DLA distribution depot in theater. By forward positioning about 40,000 items, we think we can reduce transportation costs about \$300 million; because, instead of flying the material there, you use trucks to get it to your ultimate customer.

So we are trying to do all these things with the cost being the primary consideration. In other words, we can do it better and still provide support to the warfighter.

Ms. DAVIS OF CALIFORNIA. And that is particularly, once we are there and we can do the planning. I guess thinking ahead and trying to picture the battlefield that we do not know yet, how would that change? I mean, we had a real problem, obviously, in Iraq with the personnel and the equipment in some cases, because the logisticians came after and were not there at the time. I am just wondering in taking that lesson learned, how do we change that?

Admiral LIPPERT. We have done logistics war games; and part of this thing is where the next battle is going to be that we may not have the infrastructure. One of the things that we are in the process of doing as a result of the war game is to train and have ready a distribution depot workforce ready to deploy on a moment's notice to go on whatever theater this is and set up a distribution depot so that we could support the warfighter in theater.

We are working with a Navy initiative called "Sea Basing", which literally takes a sea base and moves it into theater with a DLA distribution depot on it that with the right protection and transportation can help in more remote locations that, hopefully, we will provide this distribution capability and help support the warfighter and keep the costs as reasonable as can be expected.

Ms. DAVIS OF CALIFORNIA. Thank you.

Thank you, Mr. Chairman.

I guess one other comment, and you do not have to respond to this because I think it is a difficult question. But in your white paper and in the discussion that you have had, and I think is very important in terms of how we plan better for the future and how you can see the battlefield in a different way, it would seem to me that as hard as you try and as well as you plan, policy sometimes gets in the way of that. And we certainly were not in a position in terms of having the appropriate equipment there, because we did not anticipate the need for some obvious reasons. And I am just wondering how do you deal with that interplay in terms of really making it very clear what is required in order to do your job when you have to wait for those kinds of policy decisions?

Is this adequate to try and make that point, how do you do it?

General CHRISTIANSON. I mean there are many, many policies that govern what we do, as you know better than anyone. The challenge for us, I think, fundamentally, is to identify. What we have been talking about here primarily are the tasks required to open a theater. If you are going somewhere and you have to rapidly get in there, what tasks must you do immediately upon arrival to enable the force to flow through and to get into the operation quickly?

We are not structured to operate like this. The Marines do a good job in an expeditionary role for a limited force for a limited distance. But if you are expanding a theater and you have to go deep into an operation or you have to stay for a while, we have to be able to go in and do that.

The tasks we have to do are very limited. It is only a handful of tasks. But we need to form an organization that can do that. And then once we do that, if there are policies that inhibit us, we have to identify them and ask for your help or someone's help to change that.

For example, the current situation we are in where we are trying to leave as much equipment in Iraq as possible so we do not have to keep using a lot of shipping to move equipment back and forth that is the same stuff, we get into a policy issue if it is a National Guard unit coming on top of active Army equipment or if the Marines are coming in on top of Army equipment, or if it is a Reserve unit, we want them to leave their equipment behind and they come back without their equipment.

There is a lot of policy issues involved in that, and we are trying to attack each of those, identify them clearly first before we bring them up for resolution.

So I think the fundamental challenge for us is to identify the tasks we have to do and then if there are policy issues, they will bubble to the top.

General DAIL. And I would like to just add onto General Christianson's comment to your answer.

My boss, U.S. Transportation Command, Command General General Handy, he has the commissariat authority today as the distribution process owner (DPO) to do a lot of the changes that need to occur to correct some of the logistic deficiencies that we have talked about, that you have heard General Christianson talk about.

Inside the theater today, his partnership with the other regional combatant commanders, the capabilities that we have put in the last year into theater to get the kind of productivity and get the



kind of performance that we owe our men and women that are wearing the uniform at the forward lines, I think he has the authority to do that today. And it is one of the good news stories that has come about in the last six or seven months; that the ability to go in as a national, put that capability into the theater, connect it with information technology, the ability to make change happen. I think that has been very, very positive.

General USHER. If I could, I think one of the strengths that we have in the Marine Corps is how our force structure is integrated in that we have on our active force the combat service support capabilities that are necessary in that active force that could be made available and flow early into a theater.

One of the successes that I alluded to in my testimony was the integration of our Reserve forces into the logistics operations. That has a lot to do with our day-to-day relationship with our Reserve forces and how we train to create this integrated force. But I think a good measure of our early logistics success in OPERATION IRAQI FREEDOM was due to the act that we had the logistics capability in our active forces that we could build into our deployment flow and get them into position to mitigate some of the issues that we had during Desert Shield and Desert Storm. So I think it's balance that you have to take a look at in your force structure.

Ms. DAVIS OF CALIFORNIA. Thank you very much.

Thank you, Chairman.

Mr. HEFLEY. Mr. McHugh.

Mr. MCHUGH. Mr. Chairman, gentlemen, welcome. Thank you for being here.

I think you have all described some of the incredible challenges that OPERATION IRAQI FREEDOM presented, particularly from the logistic sense. The logistic tail of that rapidly rolling offensive was remarkable. I do not know if it is anything that you distinguished gentlemen have seen in your career. But in my brief opportunity to look at these kinds of things, it was pretty well unprecedented.

That brings to mind two key challenges, one of which General Christianson talked about in one of his responses, and that is the need for connectivity. How do you make sure that those who need it can so inform those that have it? And if it's in the General's written testimony, I apologize, General. I haven't had an opportunity to go over that yet. I will. But I would like to hear some of your thoughts, your gentlemen's thoughts on how we might better resource the opportunities to do that connectivity if it's a resource problem; so much is.

And the second is security. We had some pretty high profile cases of Jessica Lynch and others who had problems because of a variety of reasons, but not the least of which is as you're doing this rapidly rolling offensive, it is tough to provide—I will not say adequate, but certainly sufficient security coverage for a logistic tail the size of OIF, certainly. So any comments you might have in those areas would be interesting to me.

General USHER. If I could comment on that, sir?

Mr. MCHUGH. Certainly, General.

General USHER. Again, speaking from the MEF, Marine Expeditionary Force, perspective, largely a tactical organization, command



surface support units are trained. The Marine Corps model, every Marine is a rifleman. We exercised that extensively during OPERATION IRAQI FREEDOM. Our combat service support forces engage elements of Republican Guard Units as well as the Saddam Fedayeen, pretty tenacious fighters in a movement of sustainment and flow. So I think that's part of a basic combat training capability that has to be built into combat service support forces and trained to and exercised at every opportunity possible.

What we are doing now to mitigate some of the shortfalls that we had is we have reengineered our logistics processes from the ground up. And in conjunction with having done that, we are embarked on acquiring the information technology to support our new logistics IT (information technology) suite of tools that we refer to as GCSS Marine Corps, Global Combat Service Support Marine Corps. It operates in the GCSS environment with DOD standard data architecture in an open architectural environment.

I think that is a key element to being able to pass information quickly on the battlefield across service boundaries and make the smart decisions that have to be made on how we apply critical resources to critical points of action.

It was mentioned earlier how we reduce costs. One of the ways we feel we can reduce costs is by simply making efficient use of the material you have on hand. The stories of units requisitioning material three and four times are just a natural behavior reaction to not getting confirmation that your requisition was received, acknowledged, and you get some information back.

We see the key to success in our effort by building our capability from the forward edge of the battlefield back to supporting organizations like DLA to be able to pass requisitions and requirements in a joint environment. So we have embarked in that effort.

But it is a twofold process. One is combat service support forces that know how to maneuver and can maneuver on the battlefield and defend themselves and two, combat service support services that have new tools at their hands to be able to provide that information cross boundary quickly to share information, and more importantly, share material for critical requirements.

Mr. McHUGH. So everybody's a rifleman? I think the Army does the same thing. The Jessica Lynch case was a case at hand; everyone had a weapon. I am not sure most of them got to use it. I think that is critical. I do not know that is the entire answer. Maybe you think it is. If it is, I respect your judgment, certainly.

Anybody else have any comments in that regard?

General CHRISTIANSON. Congressman, if I could, I would like to address that as well. I think it is important—I mean I have spent 33 years as a combat service support soldier, so I can tell you that, as we have mentioned earlier here talking about Desert Storm, sometimes it is easy to draw the wrong conclusions from an operation. So we have been training and preparing for most of my 30 years to fight a cold war adversary in a linear battlefield with a full-up theater behind us with an assumption that our interior lines, our lines of communication from the rear going forward delivering support, would be relatively secure. And if they were not secure, the biggest threat might be from aerial attack or every now and then an ambush.

If you then take that and translate it into a training program for those units, you would probably come away with a unit that is not trained to operate like the 507th had to operate. So what we have taken away is exactly your point: That everyone is a soldier first and then a specialist second. And everyone, just like General Usher said, has to be able to fight anywhere on this battlefield. And that is what's so important to understand about this modern battlefield.

It could be a block from here tomorrow. It is not going to be a battlefield like we had in the cold war. And that means we have to train differently. Our soldiers, our Marines, our airmen and seamen have to have a different expectation. So no longer can you be a Navy guy and be sitting in a port and think you are secure anymore. We learned that lesson with the *Cole*.

So this is a different battlefield. It requires a different way of training. It requires a higher standard of combat training for all the forces. And we are doing that as we go forward.

Second, with regard to the connectivity and the network, most important of all is to determine what it is we want to have out there. What is this network going to look like? Who needs to be connected? What information do they need to pass?

Our philosophy for the midterm, and I am talking about the next six to eight years, is to take the existing systems and just connect them. Do not develop anything new. Do not come out with a new IT structure; just connect them because we already have the information we need. We just need to get it to the point where the guy can provide support.

So in doing that, we have laid out an architecture that puts commercial satellites, six or eight foot antennas, down at our supply support areas, down at our hospitals, down at our critical distribution nodes in the battlefield. They already have inside of each of those nodes, they already have software and hardware that allows them to do their job. We just now need to get the data out so we can see it.

We moved \$165 million in the program budget decisions (PBD) that came over last fall out of existing programs in logistics, in Army logistics, to fund this connectivity for the Army. And we are doing that now with 3ID, and we have done it for all the units that are over there in Iraq right now. And we are focused on the rotation; as the units go in the rotation for the next time, they are not going to go in without this kind of connectivity. So that is kind of the way we are approaching this is in the midterm.

Long term, as we build this information grid that is ubiquitous, our requirements will be part of that grid. The logistics requirements and the data flow will be part of that grid, and the grid will be seized to accept them.

General DAIL. Congressman, I would say to you that from a strategic and operational sense, USTRANSCOM security is also an issue. And we are very fortunate today that we have airplanes that people who went before us were able to articulate the requirements for, and we have today, like the C-17 that goes into forward airfields with defensive systems on it and can deliver supplies and material to forward locations in northern Iraq, which shortens our lines of communications for those soldiers and Marines, and which

bypasses a lot of the traditional choke points that may also themselves be insecure.

I would tell you that we have introduced already in the past several months web-based technology for soldiers and Marines at forward bases up in Iraq where they connect with the systems that General Christianson just alluded to; and they can pass them immediately back to Defense Logistics Agency and U.S. Transportation Command where we can just really pour on the great capability that rests in our national systems.

So I would say to you that security yes in a tactical sense, but security yes in a very operational and strategic sense that we keep on the plate.

Mr. MCHUGH. You could use a few more C-17s, couldn't you?

General DAIL. Absolutely, sir. And that is coming from an Army officer.

Mr. MCHUGH. Yes, I understand. The biggest supporters of it I think are Army folk, and I understand it is a great plane.

Admiral, any comments?

Admiral LIPPERT. Well, we have been working with—well, a couple of things.

On a security perspective, from a DLA perspective, it was very different. We had some indications early on during the conflict that the companies producing MREs were being targeted by people would do us harm. And so some teams went in plants MRE producers, to make sure that we had secure locations, that we had employees that we knew we could count on and weren't going to cause harm to our troops. And we worked with the Defense Threat Reduction Agency in terms of their expertise to make sure that we had proper security at these plants. And, fortunately, in all three instances, we were fine.

On the inoperability, we have been working with TRANSCOM to come with a IT solution for in-theater, which we describe as the last tactical mile, which is the key to what the designed operational capability (DOC) is right now so that we can make sure that once that material is in theater and we have visibility, which we do now getting into theater, that once it's broken out of these containers that we have the visibility right down to the warfighter.

There is a conference coming up here next week where we are going to take a look at what the capabilities of the private industry are. And we will be making some decisions about that last tactical mile to solve that problem once and for all. So I am very hopeful that this is going to get solved and we can move on to other challenges.

Mr. MCHUGH. Well, I thank you all for your comments and again for your service.

I would just note, Mr. Chairman, for the record, in my first trip to Iraq up in the northern area, we ate a lot of meals with some soldiers who were eating MREs and who would have liked to have done harm to the manufacturers as well. But that's another story.

So, I would yield back. Thank you.

Mr. HEFLEY. Thank you very much.

Admiral, I think it was in your written testimony where you said that everybody over there has body armor now. Is that correct?

Admiral LIPPERT. That is correct, sir. Yes.



Mr. HEFLEY. When did they get that? When did we—

Admiral LIPPERT. We finally produced enough quantity in November; and based upon transportation and everything else, I would think by January we had people at 100 percent in theater with the body armor.

Mr. HEFLEY. Why were we slow in getting everybody that? Was it that we did not anticipate that many troops or what was the deal?

Admiral LIPPERT. Well, from a DLA perspective, I will answer that I think General Christianson should talk about that from an Army perspective.

The Army's original plan was to outfit people with the body armor on a ratio of one to three, which is if you had an outer tactical vest, that about one of every three would also have the SAPI plates, which is the complete set. That really generated about a \$17 million requirement, which is what we were buying to in DLA. Because of the safety concerns, that requirement went from one to three to one to one based upon the forwarding positioning of the troops. And after that, there was another increase in the total requirement which literally puts these SAPI plates and the outer tactical vest on every one in theater.

So the requirement went from \$17 million a year to about \$309 million in a year. So we were at full production capabilities. In fact, we went to a worldwide global capability of everyone who can produce these things. But it was impossible to get everything in theater as quickly as we wanted, and it took until November to reach the production numbers that were necessary to support everyone.

And, Chris, you want to talk about the requirement.

General CHRISTIANSON. Mr. Chairman, fundamentally, those issues I have mentioned in my testimony and also in my oral statement are really reflective of the expectation and the standard at the time we went vice the expectation and the standard after we started.

I will give you a couple of examples since I was there. I will give you the example of desert camouflage uniform (DCUs).

When we went over and started to do the planning in the fall of '02 and we looked at the uniform requirements, the Army's concept on DCUs was to only have a few and then to keep them in a pile and then to issue them if they had to.

This force was much larger than we ever anticipated.

At that time the decision forward was that we would come as we were. In other words, if you had the green uniforms, the tropical greens, you would come with those. If you had DCUs, you would come with those. The decision was changed in January. That gave Admiral Lippert and his organization no time to ramp up the DCUs for each with two pair of boots for every person coming in the operation.

The same is true with the body armor. The issue plan for body armor as well was up for up-armored HMMWVs; it was for the whole force. Up-armored HMMWVs were only for scouts and military police. The body armor was only to go to those infantrymen who were well forward in the battle space.



Immediately after this started, that changed. And if we would look at the requirements and how they have grown over time, the requirements for body armor and HMMWVs have kept growing and growing. We are now up about 4,300 armored HMMWVs, plus a requirement for over 8,000 HMMWVs with add-armor. And I expect that requirement to continue to grow.

As those requirements get fed into the industrial base, the industrial base is turning over as fast as they can. And we are looking now probably at a standard in the Army that every vehicle will have armor protection on it. That was not our standard a year ago. Never has been. So it is important, I think, that we understand what happened.

And then second, take that lesson and figure out how do we do that better in the future. Because I believe in the next operation, there are going to be a lot of good items that we are going to want to give our forward forces at the time they go. And we have to figure out how can we rapidly respond as something good comes up. And that is why this integrated supply chain is so critical. If the forward commander decides he wants to have something for the force, then we can get that back in real time into the industrial base, we can rapidly respond, and we can immediately deliver to the forces forward. I think that is absolutely critical.

General DAIL. And I think that is what we are doing today. I think what you will see today is that as production comes off the lines here in the United States for these body armors and other critical applicable items that go on our vehicles, we are delivering them and as fast as we can and using the most expeditious manner to get them there.

Mr. HEFLEY. General Dail, since you have the floor now, would you explain the coordination between the DLA and the TRANSCOM and the split in responsibility for providing supplies to the troops?

General DAIL. Sir, I think that U.S. Transportation Command is the distribution process owner, the authority that goes with a combatant commander with four stars, building a partnership amongst the Defense Logistic agency and other agencies at Department of Defense that deal with logistics, the services, the Air Force, and Army Material Commands, etcetera.

It is very important to establish the information architecture that goes from the strategic to the tactical, defining that architecture, getting with Admiral Lippert and his personnel and his experts to make sure that not only can we see the movement of platforms, ships and planes that are carrying forces, but that we are integrating the latest logistic capabilities with information technologies so that we can have advanced shipping notice of what's moving in that pipeline from the continental United States to overseas. That takes a strong partnership. That takes a set of performance standards applied to develop the information technology to the process that we are going to use.

General Christianson earlier made a comment that the most important thing we can do is to make sure that processes we find we are using today on the battlefield in the theater, processes that are changing now because of a tight partnership between supply and weapon systems managers and transportation specialists at the

strategic and the theater levels, and processes that are now changing because we are all connected in a web environment, we then determine how to best use the resources we already have to develop the information technology architecture to support our new processes.

In fiscal year 2005, U.S. Transportation Command has not asked for an increase in any resources to perform its distribution process owner mission. In other words, the mission to lead this joint community down the road to integrate the Marines and the Army into this pipeline that is going to go from the United States overseas, no additional resources.

We think intuitively that there will be economies of scale that we will achieve because we have a four-star general responsible for streamlining the process, responsible for making sure that we establish performance standards for the service, and that they meet their requirements, that they meet their combat requirements and can also deliver the good overseas faster and more rapidly.

Mr. HEFLEY. Well, with TRANSCOM being the distribution process owner, will DLA's role change?

Admiral LIPPERT. Can I sir, have that one?

Mr. HEFLEY. Yes.

Admiral LIPPERT. I don't expect our role to change, because when you look at the entire supply chain, you know, we are still working from the weapon systems concept where we determine what the maintenance plans are and what the spares are going to be, which is a DLA function along with the services. We then buy that material and we position it at our 22, shortly to become 26, distribution depots around the world.

We have handoff responsibilities to TRANSCOM once it gets into our distribution depots. Those handoffs occur the minute we issue the material from our depots. We use their contracts to get it to wherever we are going to be sending it on a worldwide mission.

I think where it is going to be changing is that we have better communications in terms of what those requirements are and will make sure that we have the IT systems, a common IT system in place so that we can communicate.

So I see nothing but damages in terms of working the process to try to improve the entire transportation line from supply ultimately to the disposal of the material.

Mr. HEFLEY. Well, I guess I am struggling to determine whether there is just another level of bureaucracy here and whether we need that level of bureaucracy or not. If any of you would like to comment on that?

Admiral LIPPERT. Well, let me start by just saying I think a good example is what is going on in the central command distribution deployment operation center where we are working together with TRANSCOM to solve the last tactical mile issue in terms of IT visibility. That has not happened in the past. It did not happen in Desert Storm, and it did not happen in the ensuing years. And this is probably the first joint effort that we have had together with the services to try to solve in-transit visibility issues. And I think this is a good example of where this going to be a success.

It is recognized already, sir, by the other combatant commanders. I think they all want this type of an engagement, and I think we

are going to continue to see this expand as it becomes more and more successful.

General CHRISTIANSON. Mr. Chairman, let me try to address this. I will not attempt to put words in USTRANSCOM's mouth, but as a customer of the system let you know I see it.

First of all, our defense distribution process is a complicated process. It includes civilian vendors who manufacture and deliver to us. It includes our own internal defense depot system that repairs and delivers things to us. It includes GSA. It includes Defense Logistic Agency. It includes various methods of shipment, commercial, military, air and sea. And it includes a tactical distribution capability, which really has kind of been the Army's executive agency, but it includes all of the services.

That complicated system right now does not have a central and universally accepted set of protocols. Now what that means is every time you have an interface between a commercial vendor and the defense transportation system, between the air mobility command and an Army team on the ground at an airfield, between the Military Sealift Command MSC at a port and an Army unit moving forward in a port; every time we have those, there is a different expectation between each of those elements and what is supposed to happen at that place on the ground.

So my view is that as the distribution process owner what TRANSCOM must do is, first of all, define the process, that we all agree this is how the process works in the U.S. Department of Defense.

Second, what are the expectations inside that process? If you are inside this process at a node somewhere, what do I expect you to do? And then what are the metrics of performance I am going to measure you against?

Now, General Handy and the U.S. Transportation Command does not need to only do that. What they need to have is the authority to establish the process and to establish the metrics, and then to measure performance. And, as a U.S. Army representative, I can guarantee you that once that is established, we are going to perform to those standards. But the issue right now is we have a complicated system without a standard set of metrics against which we can measure performance and improve the overall process.

General DAIL. Sir, I can assure you that at U.S. Transportation Command we do not take the view that we want to just add another layer of bureaucracy. We have tried to make an attempt to really attack what we think are the initial most fruitful areas to improve the logistics processed. And that was at the theater level.

And I think that USTRANSCOM's recent efforts with U.S. Central Command and the trust that General Abizaid conveyed to the national logistics community led by USTRANSCOM to invite them to the theater and let them begin directing and executing the change in process which General Christianson alludes to has been warmly received by—and very strongly received by U.S. Central Command and has been requested by U.S. forces Korea and other unified commands, such as U.S. South Command.

Mr. HEFLEY. Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.



One of the problems, General Christianson, that we have had since I have been here has been spare parts. And in your statement you mentioned that the Army has not fully funded the strategic spare parts program and that, in part, is the lesson such that they find themselves without readily available critical parts. What is your requirement to fully fund this program and is it included in this year's budget or what is unfunded in this year's budget, and how much could you execute in this fiscal year 2005?

General CHRISTIANSON. Yes. Thanks for the question, Congressman.

The under funding of the spares program has really been happening since Desert Storm. And we kind of were able to get away with it because as we drew down the Army and other forces over the last ten years or so, we were able to live off of some of the stuff that was piled up and that kind of gave us a little false picture. So we were able to take some savings and reduce our funding levels and then get away with it. Did not understand the risk, I don't think.

In fiscal year 2002 and again in fiscal year 2003, with the support of the Congress, we put money behind the spares program to bring them up to the level we needed to get them to. The result of all that is that today there is about \$7 billion in spares that is due into the Army. We are expecting it to come in. The problem we have is that there is a long lead time for some of the most critical items. And I know Admiral Lippert can tell you the same thing.

Some of the critical components, if there is no production capacity out there today, if they have shut down the line to give us some aviation spares, for example, sometimes it takes 12 months or longer to be able to get the first spare off the line. So we are just now seeing the fruits of some of that money that we have put in over a year ago.

So we are comfortable that we have programmed and have resourced the spares we need to maintain the current operation. We do have some shortfall in the war reserve that we are assessing right now because some of the war reserve is at the far end of the warfight, and we are willing to take risks there. We are refining that process now to look at the first 30 days of any contingency operation because that is where we want to make sure that we put our resources.

So we are very comfortable today that we have got everything we need for the current op to include reset, which is a follow on of that as well. So we have nothing sitting out there right now for the spares program, except for war reserve.

Mr. ORTIZ. Let me see if I understood correctly now. You are positive that you have got the \$7 billion coming to you?

General CHRISTIANSON. That is correct.

Mr. ORTIZ. Mr. Chairman, I know that you mentioned something else, that hopefully we can grasp all the lessons learned, then we have to go into a training mode so that we can train our troops to logistically move the merchandise and move the equipment that they need. Now, how long do you anticipate—and I do not know if this is in your area or not, how long would the training take to get to that?



General CHRISTIANSON. That is a good question, and it is a very good point, too. When we established some of these new capabilities forward, we found units in the Army that are trained to do those tasks. They are just not trained to do them together. They are trained to do them in a different environment. And so our anticipation is that the training time is going to be minimal.

What we have to do is we have to change our force structure. In other words, we have to move capabilities under a command and control element so we have a unity of effort. Right now to get distribution unity of effort, you have to go and get it from many different units and then form a task organization.

Our intent is to do this as we modularize the Army. For example, we are now modularizing 3ID in preparation for their deployment in IOF3. And then we're going to modularize the 101st and the 10th Mountain Division and the 82nd.

As we do that, we are going to modularize the combat service support (CSS) pieces that are with them. So we are going to build a supporting unit of actions that will be able to do distribution-based support as part of that process. And our intent is in the trainup for those units to as the units train in their new modular construct, we will do the same thing with the logistic forces.

So I am confident that the training itself will be more of a command and control training than it will be for the actual soldiers who drive trucks, conduct movement control operations, and conduct supply operations. We will just get them with the right kind of people, focus on a mission and they will do just fine.

The other area that is a challenge is resourcing. And as I mentioned earlier, we have moved some money to do the satellite connectivity. There will be some other resource requirements that will evolve as we get better definition on the structure. That will be more of a concern of mine than the training. I am confident the soldiers will be trained and ready as we get the units up.

Mr. ORTIZ. I just have one last question, Mr. Chairman.

General Dail, I do not know if you are familiar with the case of Ms. Olga Perez? Are you familiar with that case?

General DAIL. No, sir. I am not.

Mr. ORTIZ. Okay. This is a lady with a small business that moved some furniture. I think that furniture was moved from Panama to the United States, service members being transferred. And they were required to keep the original invoices. Well, lo and behold, the military asked her to turn in the original invoices and then an unscrupulous businessman took them; and we will brief you on this case, and she has been out almost \$700,000 for the past four years.

And I have been trying to get a meeting with everybody under the sun, principal, Deputy Under Secretary of Defense for Acquisition Technology and Logistics, the Under Secretary of the Army and the Commanding General of Military Traffic Management, and nobody since the year 2003 has been able to sit down with me and see how we can respond to this lady who was working in good faith. She was moving furniture for people being transferred, soldiers being transferred; and all I can say now is she out \$700,000 because the other businessman, if I understand correctly, took

those bills, pocketed the money and then went broke. But this lady is out of \$700,000.

I hope you can help me work this out, General?

General DAIL. Sir, we will be happy to get with you and your staff. And, as you know, one of our component command, Surface Deployment Distribution Command, is our government contact for household goods movements and personal belonging movements. And we have experts in that command that can get with you.

Mr. ORTIZ. We will work through your office and maybe we can set up a meeting.

General DAIL. Absolutely. Sir, we will work with you, sir.

Mr. ORTIZ. Thank you.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Hayes.

Mr. HAYES. Thank you, Mr. Chairman.

Did you hear General Christianson talking about Fort Bragg there, the 82nd, 18th Airborne Corps?

Gentlemen, thank you all for being here and for keeping men and women supplied with the best equipment the quickest way that you can.

To what extent, General Christianson, has radio frequency identification technology been used? How successful has it been and what kind of future do you see for this technology?

General CHRISTIANSON. We were able to use the RFID technology very well in the strategic movement into Kuwait for this operation. In fact, the only way that we could execute on the time line that we executed on was because we were able to see the strategic movement coming into the theater. So we have had relatively good success, partly coming through the DLA distribution centers, in getting visibility over exactly what is coming our way.

We have not yet been able to take that same technological capability and get it forward in the battlefield. And the reason that we have not is really tied to the second focus area that I mentioned, and that is theater distribution. It is tied to a process that everybody agrees on, then resourcing the process, and training for it.

What we have been doing is we have been taking the technology giving it to somebody and saying here, use this RFID stuff so we can see what is coming by your area. But what we have not done is we have not enabled the process by giving them a vested interest and helping them know that this is going to help them do their jobs better. So it been kind of a Band-Aid up to this point.

As we go forward, it is our intent to change that around and make sure that RFID along, with other AIT capabilities, are embedded in the process and to enable the owner of that process to get the information they need to improve the process itself and measure performance.

So I would say right now we are probably at about the 30 to 40 percent level of goodness with RFID.

Mr. HAYES. So it has been successful to a great degree, but it can be used more in the future and working on that?

General DAIL. Absolutely, but it must be tied to the process. In other words, say Admiral Lippert's folks at his distribution centers do a wonderful job of tagging the containers; however, when we send things loosely, when vendors send things to the airfield at

Charleston or Dover, for example, as pieces they do not have nearly the same level of resolution in the RFID. And the reason for that is that particular place in our distribution system, those tasks have not been given to the guy who owns that node nor have they been expected to perform to that level.

That is one of the things that USTRANSCOM do will do as the process owners. They are going to make sure that if you're a node in a distribution system, we expect you to do these tasks, to have these capabilities, and we will measure you against this standard.

Mr. HAYES. Thank you, sir.

Admiral Lippert, what lessons has DLA learned, particularly for OPERATION IRAQI FREEDOM and ENDURING FREEDOM to be able to get critical technology and new materials as simple as no shrink/don't stink T-shirts to our fighters quickly?

Admiral LIPPERT. Well, there has been a series of things that we have done from lessons learned.

It is involved primarily with communications that we get with our customer, the warfighters. And a good example of these things are meals ready to eat. We constantly ask the troops which of these meals that we have are acceptable to them, which ones taste bad, and, which ones they do not want to eat at all. There are something like 21 different types of MREs now. We even get them down to kosher MREs and also a generic neutral MRE, depending upon the preferences of an individual. So we are constantly changing the number of different types of MREs that are out based upon what is acceptable with the troops.

In terms of other things, we had problems with boots in terms of the soles, which I know you are aware of. In fact, I was over in Kuwait, talked with our troops, particularly with the Marines, and saw the conditions. I came back and we have made adjustments on the heels of the boots that were wearing out at a much quicker rate than we ever anticipated.

So the way this is being done is really with constant communications, not only with myself, but with the people we have in theater so that we can make adjustments based upon what we are seeking, what is working and is not working.

Mr. HAYES. Okay. And that is very helpful. More Tabasco will take care of the 21 types of MREs; you won't have to have so many.

Admiral LIPPERT. Yes, sir.

Mr. HAYES. That is what they always tell me. That has been my experience.

But back to the clothing thing, the T-shirt issue specifically. Are there some other items of clothing, as an example, that we have been able to figure out a way to get new products to the troops more quickly?

Admiral LIPPERT. Do you want to talk, Chris? Let me turn it over to General Christianson. Those were the ones that were right off the top of my head that I was aware that we made adjustments to.

Mr. HAYES. Okay.

General CHRISTIANSON. First, Congressman, let me preface by letting you know that the current process for approving new uniform design and changes in our clothing is too archaic and too slow to meet the rapid requirements that you are mentioning here with



new T-shirts and better socks and things like that. So what we have done in the Army is we have a rapid fielding initiative under the PM soldier, program manager, for the soldier that is able to go out and get these things very quickly and get them in the hands of the soldiers, and that is what we are doing, to include things like the T-shirts. And then we will follow up with that and get them actually type classified and get them through the process.

And it is a good question to say well why is it so slow? Let me just give you an example. We recently approved a new watch cap for the Army uniform to replace the old wool one that we have. So you would expect that that would happen overnight. The problem is we have an existing contract, and we have several 100,000 of the old wool caps in inventory or coming off the production line. So by the time we shut off the production line, transition over into the new poly fleece cap, we're talking about about putting several 100,000 more in the pipeline.

It is a very cumbersome process that we are working, very hard to change.

But the program manager has the authority and they have the funding now that the chief has given them to be able to rapidly field to the soldiers those critical pieces of uniform items that they need. So we have been very successful in things from goggles, to new uniform items, to special gear for the soldiers that they have now in Iraq that they never had before just because of that kind of an initiative.

Mr. HAYES. Thanks, sir.

Could I have one more question? Two more questions.

You are making sure the 82nd gets good stuff.

Admiral Lippert, is DLA undergoing any structural transformation to be lighter, more agile, and more effective along with the services; and how is DLA transforming to be more effective in reducing operating costs, costs of the overhead?

Admiral LIPPERT. We are transforming to start off with an IT system. The IT system that DLA uses was designed in the 1960's, implemented in the 1970's and written in COBOL. We are five generations behind world class operations in the private sectors. We have gone to an enterprise resource planning solution for our future. It is special access program (SAP)-based along with two other companies in the United States. It is a \$580 million project that replaces 600 million lines of code that were written in COBOL. It takes us to where world class logistics operations are and where we are going to be in the future.

We manage 4.6 million items. We took 175,000 items and put it up on the ERP solution and a year and a half ago. We have now expanded that from \$300 million of business up to about a \$3 billion business of the \$25 billion that we did last year.

In January of 2006 we will have this new system up entirely, and we fully expect in fiscal 2007 to pass a chief financial office audit for the first time in our history.

It has required us to completely redesign the mission statements at our inventory control points and the job descriptions to match them up with world class logistic operations. It is a complete transformation that is going on in DLA. It is going to reduce our costs. The business case that showed we should have done it is over-



whelming. It's reduced IT costs, it's fewer people, it's less inventory because we are much more accurate the way we do business right now.

Mr. HAYES. Thank you gentlemen.

Thank you, Mr. Chairman, for allowing me to make blatantly promotional statements about Fort Bragg.

Mr. HEFLEY. I have come to expect those, Mr. Hayes.

Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman.

I just have one quick question, and that is to you, General, the equipment, the socks, the shirts, the hats and everything; is all this merchandise made in the USA?

Admiral LIPPERT. General Christianson gives me the requirements, I do the buying. These items are made in the United States of America. Yes, ma'am.

Ms. BORDALLO. Thank you.

Thank you, Mr. Chairman.

Mr. HEFLEY. And let me ask you a final question, as far as I'm concerned.

I have received a complaint from the tent industry. You mentioned, General Christianson, that it starts with the providers who provide you the equipment; that the chain starts there. And most of these folks, many of these folks who provide you things are what we consider small business and the tenting industry certainly is. And they tell me that they are having a great deal of difficulty with a convoluted system of procurement you have that it is like a roller coaster. They will have almost no orders and they are almost ready to collapse and shutdown. Then they get a surge requirement that they just cannot gear fast enough to produce the number of tents that you need. And this is just one item. There must be a lot of things out there that are like this being produced by small businesses where if there is not some kind of a leveling off of the hill-tops and valleys, it makes it very difficult for them to stay in business. And we want more of these folks in business rather than less of these folks in business. It works better for everybody. Do you have any comments on that, General Christianson?

General CHRISTIANSON. Mr. Chairman, you are right on the money. I mean, one of the things we owe our industrial base is a consistency of resourcing that allows them to do the long term planning that they need to maintain a business stability. And the issue of tents is a very good issue where we get by year after year without having any tents and then all of a sudden we have a big operation and everybody needs a 100 tents. It is a huge problem.

What we are trying to do is two fold. We have got to provide our providers, like the Defense Logistics Agency or whoever, a reasonable expectation. So we are going to define our requirements, whether they be unit requirements or war reserve requirements, in a way that will allow DLA and others to establish contracts that can last long term instead of having to have these big peaks and valleys. It is critical that we have a supply chain that is completely open and integrated to do this. It is not fair to DLA or anyone else to have them—expect them to know what we want when we do not even tell them what we want.

So I agree 100 percent with your point. And I can commit to you that we are going to find a way to do that as we go to the future.

Admiral LIPPERT. I did the buying of the tents for OPERATION IRAQI FREEDOM, DLA did. It was one of our frustrations as we tried to, I think as General Christianson mentioned, we were operating in peacetime requirements. We tried to figure out what the wartime requirements were for tents, cots; I can go on with other items. We had a lot of difficulty finding that requirement. Once we did, we awarded a bunch of contracts; but we are still in a back order situation for things like cots and tents.

Mr. HEFLEY. Well, if you can help with that problem, we would certainly appreciate it.

Any other questions?

Mr. ORTIZ. Just allow Members to provide questions for the record, Mr. Chairman.

Mr. HEFLEY. Without objection.

Thank you, gentlemen. We appreciate your testimony very much. And the subcommittee stands adjourned.

[Whereupon, at 3:45 p.m., the subcommittee was adjourned.]

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# **A P P E N D I X**

MARCH 30, 2004

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 30, 2004

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FOR OFFICIAL USE ONLY  
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STATEMENT OF  
MAJOR GENERAL ROBERT T. DAIL  
DIRECTOR OF OPERATIONS  
UNITED STATES TRANSPORTATION COMMAND  
BEFORE THE HOUSE ARMED SERVICES COMMITTEE  
READINESS SUBCOMMITTEE  
ON LOGISTIC TRANSFORMATION  
30 MARCH 2004

Mr. Chairman, Mr. Ortiz, and Members of the House Armed Services Committee, I appreciate the opportunity to testify on the designation of the Commander, United States Transportation Command as the Distribution Process Owner (DPO) for the Department of Defense (DOD).

On September 16, 2003, the Secretary of Defense (SECDEF) designated Commander United States Transportation Command (USTRANSCOM), as DOD's Distribution Process Owner, charged with improving the overall efficiency and interoperability of distribution-related activities: deployment, sustainment, and redeployment support during peace and war. In addition, the DPO serves as the single entity to direct and supervise execution of the strategic distribution system.

Prior to this designation, end-to-end distribution support to the warfighter was marked by a multitude of process and information technology (IT) challenges as identified in studies such as GAO report #GAO-040305R: *Defense Logistics: Preliminary Observations on the Effectiveness of Logistics Activities during Operation Iraqi Freedom*. Essentially, DOD distribution was a series of stove-piped processes and information systems managed by several owners. Such segmentation caused inefficiencies and drove DPO designation in order to promote enterprise solutions. We feel that by naming a Combatant Commander to oversee the distribution system, the SECDEF sent a clear message: he does not want a bureaucracy trying to solve this problem. General Handy has a clear mandate and is engineering transformational improvements to the distribution process.

As a Department, we're bringing our collective talents and ongoing initiatives together to forecast distribution requirements, synchronize the movement of cargo from a source of supply to a designated customer, and expeditiously respond to warfighter requirements. The intention is to provide a "factory to foxhole" distribution system, linking the entire global DOD supply chain.



The DPO's focus area extends from the source of supply to a point forward in a theater as defined by the regional combatant commander. Our focus is on improving the strategic and operational processes in order to improve support to the warfighter. The DPO is not focused on research & development or the acquisition process, and we do not intend to get involved in the Service's traditional acquisition roles and responsibilities. We plan to designate one enterprise architecture for the end-to-end process, establishing business rules to link sustainment and distribution systems into a data warehouse where supply requisitions and movement requirements are visible to distribution system customers.

To drive consistent change, we've established a supporting collaborative structure to aid in transforming DOD distribution. The Distribution Transformation Task Force, as the name implies, crosses Service, combatant command, and agency borders, and extends from flag officer to action officer level. This group will aid the CDR, USTRANSCOM in developing process and technology solutions that will transform DOD's end-to-end distribution system. In conjunction with our partners, we've already started the process of transforming the distribution system. We examined lessons learned and after-action reports from previous operations, solicited ideas and active support of the Office of the Secretary of Defense, the Joint Staff, Combatant Commanders, Services, and the Defense Logistics Agency in determining the road ahead. All Department of Defense stakeholders have embraced the DPO designation with enthusiasm. We've collaboratively determined the key issues, identified appropriate leads, and have begun work through a series of joint service teams to drive distribution process improvements.

We responded to the combatant commanders' needs by focusing immediately on shattering the barrier between strategic and theater distribution. Eliminating this distribution barrier will ensure the synchronized flow of

resources to the foxhole, thereby eliminating previously identified inefficiencies. We specifically targeted this because of the documented challenges with theater (not strategic or CONUS) distribution - it presents our greatest challenge. The supply system in theater was weakened by significant problems: the distribution system was fragmented with a lack of synchronization, multiple feeds of sustainment cargo came into the pipeline without an overall owner, and the system had to cope with non-interoperable information systems. In other words, distribution lacked integration, prioritization of sustainment cargo, and effective end-to-end in-transit visibility. To address these shortcomings, we fielded the CENTCOM Deployment/Distribution Operations Center (CDDOC), which deployed logistics specialists from multiple commands and agencies to Southwest Asia in mid-Jan 04. The CDDOC mission is to help the United States Central Command (USCENTCOM) command and control theater distribution during the current rotation, which is scheduled to move 240,000 troops and over 1 million short tons of cargo by summer 2004. This deployment and redeployment is the largest troop movement since World War II.

We deployed this first-ever joint Service distribution command and control function at the approval of the CDR, USCENTCOM to his area of responsibility (AOR) within 90 days of determining there was a need. We'll use the lessons learned from this pilot to form the basis for an enterprise approach to manage strategic and theater distribution requirements and assets. This forward-deployed operations center will confirm USCENTCOM's deployment and distribution priorities, validate and direct intra-theater airlift requirement support, monitor and direct intra-theater surface distribution support, adjudicate identified USCENTCOM distribution and intra-theater shortfalls, coordinate for additional USTRANSCOM support, provide total asset visibility and in-transit visibility for inter and intra-theater forces and materiel, and ensure effective theater retrograde. The CDDOC has

achieved considerable success during its pilot deployment, and I'd be happy to share some of these with you upon request. As you will hear during the course of this testimony, we also have other initiatives underway to improve the distribution process.

While we certainly have more work to do in transforming DOD distribution, I must emphasize that we achieved incredible success during Operation Enduring Freedom and Operation Iraqi Freedom. We're very proud that to date, the personnel of USTRANSCOM and our commercial partners have airlifted over 1,400,000 passengers and 903,000 short tons of cargo. We've also managed the sealift of 2,500,000 short tons of cargo. This generated a massive demand for in-transit visibility information from the Global Transportation Network (GTN). During OIF, GTN processed an average of 1.5 million transactions a day more than the 2 million transactions we expected - this was also half a million more transactions than the anticipated peak demand. With rapid enhancements, we were able to manage the unprecedented demand that approached 6 million transactions per day.

The sheer magnitude of these movement requirements necessitates that we aggressively develop improved interoperable tools and processes to track our shipments from origin to destination. In order to meet this demand, we now require detailed asset visibility on sustainment shipments before they sail via ocean liner. DOD shippers have supported this rule and have provided over 90 percent visibility of container contents before vessel sailing, a 50 percent improvement over the visibility rate prior to enactment. Air shipments consistently maintain an in-transit visibility rate of over 98 percent. We use this information to successfully identify and inform the Regional Combatant Commander of high priority items en route to the area of operations.

To meet USCENTCOM requirements, we tracked containers en route to the area of operations using DOD automated systems (e.g., GTN, Worldwide Port

System). We also tracked high visibility shipments (e.g., Meals Ready to Eat, Unitized Group Rations, holiday meals) en route to the AOR through a process involving both shippers and ocean carriers. This process provides timely and accurate (over 90 percent) visibility in tracking high visibility commodities from the United States to Kuwaiti ports. However, we still have a lot of work to do in the area of asset visibility. IT improvements will be crucial to success in this area once we've fully mapped out the process architecture we plan to follow.

Major logistics improvements can be made in the distribution system through the development of an interoperable IT backbone across the entire end-to-end distribution architecture from source of supply through intratheater distribution. This would provide what we don't have today, where 200+ systems related to distribution contribute to the inefficiencies I described earlier. This improvement will allow the warfighter greater reliability and predictability for sustainment. Because of the IT initiative's breadth and depth, we are looking at this incrementally. We've begun by focusing on the movement of a single class of supply as a model to develop a standard methodology for examining the end-to-end distribution architecture.

We also recognize the need to work closely with Joint Forces Command, DOD's designated Joint Deployment Process Owner (JDPO). As their title suggests, their area of emphasis is the call-up, sourcing, mobilization, and movement of unit personnel and their associated equipment, while the distribution process involves the movement of non-unit assigned sustainment supplies. While there is a clear difference between the deployment and distribution processes, there are also numerous areas of mutual concern. These processes can appear quite similar, but they are actually unique. The commonality they share is that they both generally move using the same assets and the same movement pipeline. Close collaboration between the two process



owners is crucial. Knowing this, we have begun a combined process owners' review of almost 700 activities and information exchange requirements between the two processes. We'll then delineate all tasks that fall along the DPO-JDPO seam, identify linkages where we share task responsibilities and establish lead partner responsibilities in shared tasks with command interest. The goal is to eliminate duplications and streamline activities between the two processes wherever possible.

Our objective is to improve customer confidence, so he knows he will receive the right item at the right place at the requested time. This will preclude multiple orders of the same items which further congests the pipeline. This confidence, coupled with the IT improvements I mentioned and the establishment of mutually agreed upon time definite delivery (TDD) standards, will reduce cargo delivery variance and build trust in the distribution system. We're also working to gain control of the direct vendor delivery (DVD) processes that allow shippers to bypass the DOD distribution system and ship directly via other means into an area of operations. While a decision to bypass the distribution system often seems efficient and effective at first glance, it actually further exacerbates the problem and many of these DVDs end up as frustrated cargo. Although a DVD may be moving on the same aircraft as items moving within the Defense Transportation System, we do not have visibility of such items and they are impossible to prioritize and track. They are (along with many other untracked shipments) moving independently and competing for the same airspace, clearances, and road space in theater.

The supply and transportation priority systems we use are archaic. They had their genesis in the military of 50 years ago. There are literally dozens of combinations by which any particular item can be ordered and shipped. By streamlining this myriad of combinations, we can greatly reduce handling and processing times. Every time our present system interrupts an

item's movement to check priority or change mode, we've lost velocity. Redesign of the priority code system would reduce the potential stoppages in movement required to adjust shipping mode or sequence. Today's IT and transportation capabilities allow far greater velocity than was possible a half-century ago. By designing a well-thought-out and unified ordering and shipment priority system, we can take advantages of our tremendous potential.

Over the past few minutes, I've mentioned just a few of the many immediate improvements we've made to DOD's distribution system since SECDEF named Commander USTRANSCOM as the department's Distribution Process Owner. Although we are pleased with improvements to date, we still have much work to do. In closing, please allow me to stress that we have a unique opportunity to use the capabilities and peer influence that a combatant commander brings to the table to transform our strategic distribution system into a single-faced, reliable, visible, and simplified strategic distribution system. Our warfighters deserve no less.



VICE ADMIRAL KEITH W. LIPPERT

DIRECTOR OF THE DEFENSE LOGISTICS AGENCY

BEFORE THE HOUSE

ARMED SERVICES COMMITTEE

READINESS SUBCOMMITTEE

ON LOGISTIC EFFECTIVENESS IN OPERATION IRAQI FREEDOM

30 MARCH 2004

**Statement of**  
**Vice Admiral Keith W. Lippert**  
**Director of the Defense Logistics Agency**  
**Hearing before the Readiness Subcommittee of the**  
**House Armed Services Committee**  
**March 30, 2004**

Good afternoon, Mr. Chairman, Mr. Ortiz, and distinguished members of the Subcommittee. Today, it is my privilege to represent the men and women of the Defense Logistics Agency (DLA). We are committed to fighting the war on terror, and providing logistic support to the brave young Americans deployed in Iraq, Afghanistan, and in other places around the world. DLA is focused on the warfighter. We are a critical combat enabler, improving warfighter support to the combatant commands.

For more than forty years, our Agency's hallmark has been our demonstrated ability to provide around-the-clock, around-the-world logistic support to America's armed forces in peace and in war. I am here today to discuss DLA's collaborative efforts with OSD and the Services in preparing for Operation Iraqi Freedom (OIF). In particular, I will discuss how we (1) currently support the operation in Theater; (2) respond to the many logistic challenges; and, (3) plan for future improvements. We are improving our business processes based on lessons learned to ensure we do an even better job supporting the warfighter in the future.

I appreciate this opportunity to testify on DLA's logistic efforts during OIF and address the specific issues identified in the GAO's report "Defense Logistics: Preliminary Observations on the Effectiveness of Logistics Activities during Operation Iraqi Freedom", which was released on December 18, 2003.

As DoD's logistic combat support agency, we acquire a large variety of consumable items. We are the source for nearly every consumable item, whether for combat readiness, emergency preparedness or day-to-day operations for the Department of Defense.

The Army, Navy, Marines, Air Force, and Coast Guard rely on DLA to provide food, fuel, medical supplies, clothing, construction and barrier materiel, and more than ninety percent of their



weapons systems repair parts both in times of peace and war. We receive, store, and issue DLA and Military Service assets at our distribution depots located in the continental United States and at key sites overseas. Our Defense Reutilization and Marketing Service oversees the re-use or disposal of excess property.

In fiscal year 2003, DLA provided nearly twenty five billion dollars in goods and services – primarily to America's military services. We process an average of 45,000 requisitions and 8,200 contracts daily. We have a presence in 48 states and 28 countries. We manage the second largest warehousing operation in North America.

If DLA were a publicly traded company, we would be listed number sixty-five among Fortune 500 companies – just above New York Life. And, like a business, we use financial and performance metrics to ensure we're being effective and efficient. We use these indicators to ensure we are ready to provide logistic support for any future major combat support scenario. We know how important it is to have our basic support posture in the best possible condition, so we've focused on reducing backorders or unfilled customer orders and improving supply availability. This approach helps us to ensure that DLA has an extremely responsive and efficient supply system.

In July 2002, the Deputy Under Secretary of Defense for Logistics, Manpower and Readiness discussed with me the requirement to prepare for a possible conflict in Iraq. As a result, we developed our budget requirements and provided them to the Office of Secretary of Defense within thirty days. During that process, we requested that OSD identify the force structure that would be utilized for this operation. The size and duration of the force structure are key components to planning, especially for the items we manage – food, clothing, fuel, and spare parts. Within three days OSD provided us with a tentative force structure. It was not exactly what we deployed with for Operation Iraqi Freedom, but it allowed DLA to begin deliberate planning for possible action in Iraq.

Based on that OSD guidance, experienced DLA planners began working with the Services' planners to identify quantities and timing of what would be needed to support a potential near-term conflict. As a direct result of their efforts, DLA procured the planned items to meet the

increased operational tempo that would occur during the operation. The OSD Comptroller provided five hundred million dollars in obligation authority to DLA, which was obligated during September 2002. An additional four hundred and twenty-four million dollars was then obligated between October 2002 and January 2003 as it became more apparent that combat was likely.

These funds were used for items such as spare and repair parts for critical aviation, land and maritime weapon systems, clothing, subsistence, medical supplies and fuel. For spare parts, we identified items we believed would have the greatest demands and bought ahead of actual demands, which ensured availability of needed parts when demand for these items surged dramatically. We also bought desert camouflage uniforms based on Army planning requirements. For medical applications we bought thirty million dollars of general vaccine types. We completed a major effort to get the USNS Comfort underway – which was the one thousand bed hospital ship that deployed. With very short notice, we had eighty percent of the planned items ordered by the Comfort on board within 3.5 business days, with the balance delivered enroute and in-theater. We effectively integrated Prime Vendor support and disposal operations in our planning efforts.

High on our list were Meals, Ready to Eat (MREs). Since this would be the primary food source during combat operations and until a revised feeding plan was implemented, we had to ensure that we had adequate MREs to support our troops. At the height of the combat operation, the MRE requirement was 350,000 MREs per day. We have three contractors producing MREs and all three increased their production in accordance with pre-established contracts with surge provisions. This surge capability allowed us to meet a peak production of 1.4 million cases of MREs during April 2003, more than seven times the normal monthly production.

Another important item was the Joint Service Lightweight Integrated Suit Technology (JSLIST) chemical protective ensemble. Since the inception of the program we have provided more than three million JSLIST suits to the Services, including approximately two thousand custom-made suits since the beginning of Operation Iraqi Freedom for service members outside the normal size-range.

The decision to acquire the items before executing Operation Iraqi Freedom proved to be very effective. As a result of changes in the entire logistic and supply chain process, Defense Logistics Agency does not manage huge stocks of inventory, especially if the items and quantities are readily available in the commercial marketplace. We still manage inventories of critical long lead time and high-demand items. Overall, a significant portion of the warfighter's supplies are shipped directly from manufacturers, distributors, and strategic suppliers with whom we have prearranged contracts with surge provisions. This is an entirely different approach than was used in both Vietnam and Desert Storm.

As we prepared, we built on lessons learned from previous conflicts. Our preparations were good in some areas, but needed to improve in others. I've discussed our joint planning with the Services in advance of the operation. In some cases, actual demands for items exceeded projections. For example, for the Small Arms Protective Inserts – the SAPI plates you've all heard about – the estimated FY 03 requirements were seventeen million dollars. For a very good reason – the protection of our American warfighter – the Army increased their requirement for Interceptor Body Armor. Today, ALL troops in Iraq are equipped with Interceptor Body Armor. To meet the increased requirement, funded requisitions began coming to us in January 2003. By November 2003, we actually bought three hundred seventy million dollars of the SAPI plates – using exigency contracts, awarded within thirty days, with an average delivery beginning within eighty-three days. The Army Audit Agency conducted a special inspection of body armor and found that we were timely in making awards and that quality products were delivered on time. However, SAPI production right now is constrained by the availability of raw materials, mainly the ceramic tiles contained in the plates. At present, known worldwide production of qualified ballistic packages is limited to twenty-five thousand SAPI sets (or fifty thousand plates) per month.

Another challenge we did not fully anticipate was the size and duration of the surge impact on our distribution centers. OIF has been unlike previous actions in that our workload increase has continued well beyond the end of the major conflict. It took us time to ramp up: we added overtime and additional shifts, augmented several sites with Reserve forces, redistributed workload among our distribution centers (especially to San Joaquin and Norfolk), hired an

additional eight hundred employees, and reconfigured workload patterns at our Susquehanna, Pennsylvania distribution operation to balance customer needs (Susquehanna is our strategic distribution platform not only for Southwest Asia, but includes Europe, North Africa, Central and South America and the eastern half of the United States). High priority requisitions grew from forty percent of our workload to sixty percent. At the height of the surge in Fall 2003, it took us 3.5 days to process an urgent shipment. Now, our average time to get that item out the door is 2.6 days, and it is continuing to decrease.

Some lessons previously learned we applied with great results: we forward-positioned barrier and construction material into Bahrain -- items like sand bags and concertina wire -- for force protection and construction. You have seen photos from the GAO that show our prepositioned material in Bahrain -- a real success story in terms of planning and materiel prepositioning using surface transportation. Of the three thousand five hundred containers of construction materiel we prepositioned, we have consumed nearly ninety-four percent as of February 24, 2004. This prepositioning helped us reduce customer wait time by over half and allowed air transportation capacity to be used for other critical items being requisitioned by war fighters in theater.

Another improvement over Desert Storm was our deployment of a DLA Contingency Support Team (DCST) to help expedite cargo shipments and critical items and provide solutions to warfighter inquiries. DLA was instrumental in reducing theater handling of materiel. One of the initiatives included the concept of building "Pure 463-L Pallets". These pallets contain only freight for a specific customer and do not need to move in a circuitous route or be packed and repacked for the delivery of goods for another customer. This results in a more efficient transportation system to speed cargo through transshipment points and reduces breakout/repackaging of cargo, with quicker arrivals at the end user's location. Right now, we are shipping eighty percent pure pallets to Central Command out of the DLA Distribution Centers.

To improve in-transit visibility, DLA put radio frequency identification (RFID) tags on all Central Command shipments loaded on containers and air pallets as well as similar shipments to



all customers in Europe and the Pacific. RFID tags are the foundation for the in-transit visibility capability being developed by DOD. As their use is expanded, they will enable the capture of in-transit status information to support end to end visibility of each container, case, or pallet of materiel as it moves through the distribution process to, and then within, the operational theater. In the theater itself, and throughout the process, RFID utility depends upon sufficient amounts of equipment, specific procedures, and trained personnel. Collectively, we need to ensure that all parts of the system are working properly to achieve the full capability of this technology, and DLA is collaborating with OSD, TRANSCOM, and the military Services to make this happen.

To further improve our logistic processes, DLA is partnering with the Transportation Command, the Joint Munitions Command, and the military Services to staff the Central Command's Deployment Distribution Operations Center (CDDOC) pilot. The CDDOC, one of the Transportation Command's top Distribution Process Owner initiatives, is a cross-command, cross-Service team deployed to the Central Command theater to integrate movement of sustainment cargo, deploying forces, and theater stocks. The team arrived in Kuwait on January 17, 2004. DLA is leading the Requirements and Synchronization Cell and providing nine of the twenty-eight personnel.

To improve theater distribution capability, the CDDOC worked with CENTCOM to lift container throughput restrictions that will eliminate container backlogs at nodes and transshipment points. The CDDOC synchronized onward movement of six hundred seventy-two air pallets destined for Iraq that were flown into Kuwait when military airlift was consumed by force rotation operations.

To overcome issues with asset visibility, the CDDOC reached back to national logistic partners to locate and redirect in-transit materiel for the 101st Air Assault Division, the 82d Airborne Division, the 173d Airborne Brigade and the 3d Armored Cavalry Division.

To improve container management, the CDDOC is overseeing management of containers and air pallets, working with port operators and units to document turn-in processes and record status of empty sea van containers.

As we talk about the challenges we faced during this period, we need to remember that DLA was also sustaining concurrent operations in Guantanamo Bay, Afghanistan, Horn of Africa, and Bosnia-Kosovo with food, fuel, clothing, medical, and repair parts as well as disaster relief efforts in Iran and here at home.

Tomorrow's battlefield will look far different from those we have encountered in the past. One of the challenges we continue to face is 'the last tactical mile': ensuring that the right item is delivered to the warfighter when needed – anywhere that war fighter may be located. We are continuing to build upon lessons learned to develop strategies for the future. The CDDOC is just one of the ways we partner with other Department of Defense elements...and its success gives you an idea of the immediate fixes we can put into place when Office of the Secretary of Defense, the Combatant Commanders, Services and Defense Agencies work together. But resolving the immediate problems is not enough...we must look to the future. We must be able to rapidly and effectively respond to future threats and opportunities. Comprehensive logistic solutions are being demanded....OIF/OEF places increased pressure on agile logistics to support operations. DLA has developed a transformation strategy that will build and sustain a logistic system with the capability and agility to ensure war fighter readiness and materiel availability in an environment where battle space tactics and logistic support needs are continually evolving. To improve the end-to-end distribution process, we are modernizing our technology infrastructure, we are modernizing our business practices to streamline and fully integrate the supply chain, and we are giving our workforce the skills they will need to ensure DLA's success. We will partner with OSD, the Combatant Commanders, the Services and Industry to resolve the issues of 'the last tactical mile'.

DLA worked proactively to be ready for this conflict. When conflict came, we partnered with OSD, the Combatant Commanders, the Services, and Defense Agencies to meet requirements, resolve immediate issues, and deliver the goods.

Finally, Mr. Chairman, DLA remains committed to ensuring that America's fighting forces are the best equipped in the world. We pledge to use American's resources wisely and, with your

continued support, we will prevail in the war on terrorism. Our nation and our freedom depend on it.

**RECORD VERSION**

**STATEMENT BY**

**LIEUTENANT GENERAL CLAUDE V. CHRISTIANSON  
DEPUTY CHIEF OF STAFF, G-4  
UNITED STATES ARMY**

**BEFORE THE**

**COMMITTEE ON ARMED SERVICES  
SUBCOMMITTEE ON READINESS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**SECOND SESSION, 108<sup>th</sup> CONGRESS**

**ON LOGISTICS READINESS OF  
THE UNITED STATES ARMY**

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STATEMENT BY  
LIEUTENANT GENERAL CLAUDE V. CHRISTIANSON  
DEPUTY CHIEF OF STAFF, G-4, ARMY

Chairman Hefley, Congressman Ortiz, distinguished members of the Committee, it is an honor to appear before you today. I want to thank each of you for the tremendous support you continue to provide our men and women in uniform and their families. Thank you, too, for the opportunity to answer your questions on the state of Army logistics.

**INTRODUCTION**

Operation Iraqi Freedom (OIF) was a spectacular logistics achievement. Without question, the overriding reason for our success was the skill, dedication and commitment of our integrated logistics team of Soldiers, civilians, and contractors, all of whom developed innovative solutions to a range of challenges caused by major capability gaps in our current logistics processes. These men and women were well trained and worked with a sense of purpose. I could not be more proud of what they accomplished, and all Americans should share in that pride. Our Army has been blessed with a corps of competent logistics professionals that ensured victory in Iraq.

Their achievements are especially spectacular in light of the fact that we supported a 21<sup>st</sup> Century battlefield with a mid-20<sup>th</sup> Century logistics structure. With some exceptions, our logistics systems, procedures and organizations were not ideally suited to support the rapid combat operations that characterized the vast Iraqi battlefield.

The pace of combat operations, the distances covered and the harshness of the environment combined to challenge our logisticians like never before. The accomplishments of all logisticians during OIF are unmatched, and their professional commitment is without equal. History will show that their ability to adapt outdated procedures, inadequate structure and old equipment to today's modern battlefield was seen as our logisticians' most significant accomplishment.

Today we fight on a battlefield that is characterized by widely dispersed operations – islands of combat separated by tenuous, unsecured lines of communications. Operational commanders face an enemy who is different from any we have seen before and whose defeat necessitates rapid and constant reorganization of our forces. Gone is a battlefield with clear lines of distinction between enemy and friendly territory or forces. Today's battlefield is joint and combined all the time, and presents new and difficult challenges for logisticians.

These challenges demand a change in the way the Army sustains its forces. We no longer have the time required to build-up stocks of supplies – we need a shared awareness of requirements, resources and priorities to deliver critical support on time. There is no assurance that our next mission will have a friendly government and mature infrastructure to support our efforts.

To address these challenges, the logistics community must meet three fundamental imperatives. First, we must be able to "see" the operational requirements in real time – anyplace, anywhere. Second, we must be able to respond to those requirements with speed and precision. And third, we must be able to rapidly open a theater in support of a joint expeditionary force. The remainder of this testimony addresses these

imperatives by describing how we plan to fix the problems that made supporting OIF so difficult.

Difficulties experienced during operations in Iraq should be viewed as indicators of systemic problems in logistics processes. The solutions to these problems must address core issues rather than individual symptoms.

Shortfalls noted by both Army leadership and other government agencies include: a backlog of cargo pallets and shipping containers at various points along the distribution system; substantial demurrage charges against the Army by the owners of these backlogged containers; a discrepancy of \$1.2 billion in materiel shipped versus materiel acknowledged by our systems as received; the ubiquitous cannibalization of parts from vehicles; the accumulation of excess materiel without required documentation at the Theater Distribution Center; duplication of requisitions and circumvention of the supply chain; and inadequate physical security for supplies.

These shortfalls can be attributed to one or more of five interrelated causes: 1) inadequate connectivity from the foxhole to the industrial base; 2) a layered and disjointed theater distribution system; 3) the lack of a unit organized to run distribution operations on the ground; 4) a container management policy designed for peacetime operations; and 5) the lack of discipline in some organizations in executing supply policies and procedures.

We addressed these problems in our December 2003 Army Logistics White Paper, "Delivering Materiel Readiness to the Army," which now serves as the basis for corrective actions and prioritization of resources for related programs in the current budget and across the

program years. Army logisticians recognize that our most critical task is to sustain the combat readiness of our deployed forces while maintaining the operational readiness of the remaining force.

We will accomplish this vital task by focusing our efforts on four clear objectives that address our experiences in OIF. To sustain combat power, we must have the ability to “see” requirements on-demand through a logistics information network. We must develop a responsive distribution system enabled by in-transit and total asset visibility and managed by a single owner who has positive end-to-end control in the theater. The Army needs a robust, modular force-reception capability – a dedicated and trained organization able to quickly open a theater and support flexible, continuous sustainment throughout the joint operations area. Lastly, we need an integrated supply chain with a single proponent who can leverage all resources in a joint, interagency and multinational theater.

## CONNECTIVITY

Current logistics battlefield communications processes lack the flexibility, speed, and availability to support expeditionary logistics. Army logisticians in OIF could not “see the requirements” across the widely dispersed battlefield, and operational forces on the battlefield could not “see the support” coming their way. Difficulty getting and keeping connectivity among logisticians, combat units, and the industrial base caused confusion, led to shortages and resulted in a lack of confidence in logistics systems.

By connecting our logisticians, we will enable the entire logistics community to “see and know” what the Soldier needs as soon as it is needed. Through the use of a dedicated satellite communications



(SATCOM) network, tomorrow's logisticians will be able to send and receive data continuously, from the Soldier in the foxhole all the way back to the U.S. sustaining base. We have already made significant improvements to our communications capability in theater by purchasing and employing commercial very-small-aperture terminals (VSAT) to give non-line-of-sight (NLOS) connectivity to critical sustainment nodes. Additionally, we have programmed \$160 million to provide this capability to the entire Army.

In future years, we must continue to improve the logistics information network. This includes investing in the Combat Service Support Automated Information System Interface (CAISI) wireless equipment to provide local area network capability at the tactical level, and a commercial expeditionary data communications capability comprised of man-portable SATCOM terminals to provide non-line-of-sight connectivity down to the battalion level. Finally, to plan and control logistics operations at the tactical level, the Battle Command Sustainment and Support System (BCS3) will be the logistics component of the Army's battle command system.

## **THEATER DISTRIBUTION**

In OIF, limited transportation assets coupled with heavy and unpredictable requirements meant that resupply had to be accomplished with great difficulty and often at the very last minute. Our current distribution system lacks the flexibility, situational awareness, communications capacity, and unity of effort needed to effectively respond to the needs of our Army. The ability to track the movement of and communicate with trucks using the Movement Tracking System (MTS) was limited because not all trucks were properly equipped. This meant that distribution managers did not have the information required to make

effective use of their resources. Our inability to "see" supplies as they moved through the distribution system added to the difficulty of getting materiel to the right unit at the right time. Finally, moving supplies forward was delayed, and backlogs at distribution points throughout the theater increased because supplies were not packaged in a way that facilitated rapid throughput to the Soldier.

To address these shortfalls, the Army is developing a modernized theater distribution system with an end-to-end capability that delivers materiel readiness from the source of supply to the point of need at the last tactical mile. This modernized theater distribution system will provide: unity of effort with a single control element; modern delivery platforms that are enabled for continuous operations with satellite tracking, two-way communications, night-vision capabilities, enhanced reliability, and integrated force protection capabilities; end-to-end visibility enabled with Automatic Identification Technology (AIT); and updated doctrine and processes that focus on rapid, reliable, precise time-definite delivery.

A key component of this modern distribution system will be the ubiquitous Army truck. Today, we treat Army trucks as second-class citizens. Tomorrow, on a distributed battlefield, Army trucks will be the lifeblood of our success. They require mobility, communication and protection capabilities that will permit them to survive, keep pace and sustain the maneuver and maneuver support units across a very dangerous battlefield. Our trucks must be equipped with on-board materiel-handling capabilities, which will allow direct transloading of common distribution platforms to and from all potential delivery systems. Finally, our current truck fleet must be modernized through a long-term program of spiral technology insertions across its entire lifecycle to meet these critical needs.

To enable end-to-end control of our distribution system, we must integrate Automatic Identification Technology (AIT) as an enabling function. The use of new Radio Frequency Identification Devices (RFID) during OIF afforded a much-improved view of the supply chain, but we still lacked complete visibility, especially below the theater level. We intend to integrate RFID/AIT into the distribution process, thereby enabling our process owner with the capability to see and control distribution operations. We will install RFID equipment at a variety of key locations in theater to include supply support activities, movement control elements, and cargo distribution hubs. We will achieve the desired level of visibility by combining the use of RFID equipment in theater with an overarching joint and Army architecture, coupled with a comprehensive joint policy to standardize the tagging and tracking of all defense shipments – from the source of supply to the point of need at the tactical level.

To facilitate a more rapid throughput of sustainment to our forces, the Army, working with U.S. Transportation Command (TRANSCOM) and the Defense Logistics Agency (DLA), is changing the way we package our supplies in the continental United States (CONUS). We have begun shipping “pure” pallets of supplies to facilitate direct delivery to the customer. Pure pallets contain materiel destined solely for a single organization and do not require sorting and repackaging at interim distribution nodes. These pallets move from depots to aerial ports of embarkation and then directly to the ultimate destination, such as a forward supply support activity, before being unloaded. The Army is mandating the use of pure pallets and has released a policy message outlining this requirement. This change will create a second-order effect within DLA. We will now see increased times required to build the pure pallet at the Defense Distribution Center depots. However, the overall delivery time to the Soldier is reduced, as is the workload in the forward

battlefield, which is absolutely necessary for a throughput distribution system.

We will continue to build upon the ongoing improvements in the strategic and theater distribution processes. The Army is committed to work in harmony with TRANSCOM as the Defense Distribution Process Owner to establish a seamless distribution system in support of the joint force. Ultimately, our military distribution system must provide reliable and predictable support that builds confidence in the warfighter and empowers the logistician. Our success will be measured at the last tactical mile with the Soldier.

### **THEATER OPENING**

With your support, the Army and the joint community have invested heavily over the past 10 years to improve our ability to deploy rapidly from the continental United States. These "fort to port" upgrades of deployment facilities on installations, coupled with enhanced sea and air deployment capabilities (large medium-speed roll-on/roll-off, or LMSR, ships and C-17 aircraft) delivered land combat power to the joint force commander in OIF in record time. The vast improvement in our capacity to deploy forces has, however, exacerbated our force reception weaknesses. We can move forces from CONUS faster than we can receive them in the theater. To address current weaknesses, we must begin the necessary transformation of our force reception capabilities. As we transform our military into a rapidly employable, globally oriented force, the manner in which we receive these forces in the area of operations must change. We will not have the luxury of time to "build" a theater base for this expeditionary force.

The joint and expeditionary Army is hampered by the lack of an organizational structure singularly focused on joint theater-opening tasks.



Today, the Army is forced to build ad hoc support organizations to open theaters. Force reception operations, strategic communications, initial sustainment support, and joint logistics command and control are critical if our military expects to simultaneously deploy, employ and sustain a joint expeditionary force. OIF gave us a picture of such an operation: as the lead elements of the 3<sup>rd</sup> Infantry Division and the 1<sup>st</sup> Marine Expeditionary Force attacked into Iraq, the reception of forces in Kuwait continued at a hectic pace. This was an unprecedented accomplishment, but it also exposed weaknesses in our current force reception capabilities.

The Army will design an integrated capability that can deploy on the same timeline as its combat forces. Immediately upon entry, this organization will execute critical theater opening tasks enabling the combat force to focus on the combat mission. This organization will give the commander a single logistics command-and-control element focused on joint force generation and sustainment.

This theater-opening capability will not be an ad hoc organization. It will be a support headquarters that has trained to the task with habitually aligned subordinate modules. It should be able to interact with support units from sister Services and coalition partners, and it must be able to expand quickly to meet theater growth. This organization will be capable of receiving sustainment modules as theater sustainment requirements grow and, conversely, can quickly detach modules as the situation dictates.

This theater-opening command-and-control headquarters must be able to plug into a logistics information network through secure, on-demand satellite communications. It must maintain real-time visibility of forces and supplies inbound to the theater and sustainment requirements

within the theater through a logistics common operating picture that is populated by joint and Service information. Initial studies are underway to determine the feasibility of reconfiguring one of the Army's Corps Support Groups to execute this mission by fiscal year 2005. We will work with the other Services to gain support for an organization that can leverage joint assets to receive the joint force.

Another key to rapidly opening a theater is the Army's pre-positioned equipment. One of the many success stories of OIF was the availability and readiness of the brigade sets of equipment drawn from pre-positioned stocks by the 3<sup>rd</sup> Infantry Division. However, our success with the pre-positioned equipment was underwritten by time. We had time in OIF to execute critical maintenance tasks before operations began – we may not have this luxury next time. As a result, we have changed our strategy for employment of pre-positioned stocks.

The most significant change in our pre-positioning strategy is a move toward a regionally focused, sea-based capability. Three Army Regional Flotillas will now make up the afloat portion of our prepositioning program. These flotillas will be located at Guam/Saipan, Diego Garcia and in the Mediterranean Sea. This distributed sea-basing strategy provides a new set of modular capabilities designed to give regional Combatant Commanders a menu of flexible response options.

At the core of each of the flotillas are two large medium-speed roll-on/roll-off (LMSR) ships. One of these ships contains a maneuver brigade task force set of equipment. This ship will deliver the capability of one armored and one mechanized infantry battalion, a package of brigade combat support and combat service support capabilities, and 15 days of

supplies. The second of these ships will contain equipment for units echeloned above brigade.

A third vessel in the flotilla, a roll-on/roll-off ship with a shallow draft, will provide the capability to support humanitarian assistance and disaster relief operations. Finally, each flotilla will include a fourth ship with sustainment stocks and a fifth vessel will be loaded with ammunition. The current requirement calls for these last two ships to carry sufficient supplies for 2.5 present-day divisions for 30 days, but the Army is reviewing the mix of commodities to best support its forces under modularization.

## **SUPPLY CHAIN**

Over the past several years, the Army has taken inventory reductions at many echelons for a variety of reasons. We changed our stockage policy to reduce the amount of items carried on unit prescribed load lists, while simultaneously reducing stock levels in many authorized stockage lists throughout the force. Additionally, at the strategic level, we have not fully funded the strategic spares program. The cumulative result of these reductions is a leaner supply chain without the investment in information technology or distribution systems to enable success. Consequently, Soldiers today find themselves at the end of a very tenuous supply chain, without readily available critical supplies, and at the mercy of a fragile theater distribution system.

The Army needs an integrated supply chain that has a single proponent, allowing logisticians to "see" available resources in a joint, inter-agency and multi-national theater. To address this problem, we are developing the capability for logisticians to view the supply system in its entirety. The current Army supply system is designed in a series of

horizontal layers from the user to the depot. This horizontal layering makes it difficult to understand the impact of actions across the entire supply chain.

Our solution is an enterprise view of the supply chain and an integration of joint processes, information and responsibilities. Customers and logisticians from all agencies and Services will enter local supporting systems, plug into the sustainment network, and be afforded end-to-end joint total asset visibility. Combatant Commanders will be capable of seeing inventory, both in motion and in available storage locations, and with that knowledge rapidly making decisions that will maximize operational effectiveness.

To build a system that provides this required holistic view of the supply chain, the joint logistics community must designate a supply process owner, similar to the designation of U.S. Transportation Command as the Defense Distribution Process Owner. The joint logistics community must also partner to develop Enterprise Resource Planning (ERP) software, which completely integrates total asset and in-transit visibility across the enterprise.

## **SUMMARY**

The Army is working toward making its sustainment capability more strategically flexible. We recognize that a flexible, reliable, networked, joint sustainment capability, built around an expeditionary mindset, is essential. Under this new paradigm, Army logisticians will have the capability to "see" requirements in real time and to control a distribution system from factory to foxhole. Both Army logisticians and combat commanders will make decisions based on accurate, timely logistics information. Units that conduct force reception operations will be organized and trained to rapidly transition from peace to war. Army



logisticians will set conditions to execute the joint concept of simultaneous deploy-employ-sustain operations.

The Army's logistics transformation effort is taking place amidst other dramatic changes that impact our logistics systems. Among these are the move towards expeditionary and modular formations, the development of Future Combat Systems, the need to support the simultaneous deployment, employment and sustainment of joint forces, and the globalization of the defense industrial base. Each of these changes will contribute to logistics transformation while posing additional challenges.

Achieving these ambitious goals will require the fusion of all logistics communities, Army and joint, as well as the full support of Congress. The window of opportunity is narrow. If we do not connect Army logisticians, improve the capability of the distribution system, modernize force reception, and provide integrated supply management, we will study these same lessons after the next major conflict. These four goals must be achieved as one – they are interdependent, and the capability delivered by all four is much greater than their sum.

Mr. Chairman, in closing, I would like to again recognize the outstanding achievement of our logisticians during Operation Iraqi Freedom.

To get our forces into theater, logisticians deployed more than 1.2 million tons of equipment over 8,000 miles. During the high-intensity combat phase, they used an average of 1,200 fuel tanker trucks to deliver 1.5 million gallons of bulk fuel per day, and our transporters drove an average of 2,000 trucks every day over the hazardous 876-mile supply route from Kuwait to northern Iraq. Military trucks have logged almost 50

million miles since the beginning of operations. Logisticians provided water to 307,000 troops who drank 2.1 million gallons on an average day, and they delivered enough Meals, Ready to Eat (MRE) to feed the population of Spokane, Washington for over a year. Logisticians have taken the fight to the enemy and endured the elements to make sure American and coalition forces have what they need. I'd like to publicly thank those who carried the load, and I want to recognize the 55 logistics Soldiers who have died supporting our forces.

Thank you, Mr. Chairman and members of this distinguished committee, for your continued support of Army logisticians. I appreciate this opportunity to appear before you today, and look forward to answering your questions.

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THE HOUSE ARMED  
SERVICES COMMITTEE

STATEMENT OF  
BRIGADIER GENERAL EDWARD G. USHER III  
DIRECTOR, LOGISTICS PLANS, POLICIES AND STRATEGIC MOBILITY  
UNITED STATES MARINE CORPS  
BEFORE THE  
SUBCOMMITTEE ON MILITARY READINESS  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
CONCERNING  
LOGISTICS  
ON  
MARCH 30, 2004

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THE HOUSE ARMED  
SERVICES COMMITTEE

### **Introduction**

Chairman Hefley, Congressman Ortiz, and distinguished Members of the Committee; it is my privilege to report to you on the state of logistics modernization of your Marine Corps. Your Marines are firmly committed to excellence in logistics, which supports warfighting excellence. The support of the Congress and the American people has been indispensable to our success in the Global War on Terrorism. Your sustained commitment to improving our Nation's armed forces to meet today's challenges and those of tomorrow is vital to the security of our Nation. On behalf of all Marines and their families, I thank the Committee for your continued support and commitment to the readiness of your Marine Corps.

### **Operation IRAQI FREEDOM – Our Successes**

Operation IRAQI FREEDOM (OIF) saw the Marines, Sailors, and Soldiers of the First Marine Expeditionary Force (I MEF) fighting over the longest ground distances in our history and at speeds never before traveled. The tremendous combat power of I MEF played an instrumental role in breaking the back of the Iraqi regime and I MEF's logistics backbone made it possible. Our success was a new benchmark in Marine combat operations and logistics, as seen by our ability to travel 450 miles from Kuwait to Tikrit in roughly 21 days.

As the Commanding General of I MEF's 1st Force Service Support Group (FSSG), my biggest challenge was maintaining the agility required to adapt to rapid changes on the battlefield in a ground fight of unprecedented speed. 1st FSSG's greatest accomplishment was sustaining a reinforced MEF's swift attack across those 450 miles from Kuwait to Tikrit. In doing so, we established 8 Support Areas extending our sustainment depth and established 18 hasty Resupply and Replenishment Points (RRPs) in direct support of the 1<sup>st</sup> Marine Division. The average duration of these RRP's was 48 hours. The Combat Service Support Battalion, in support of 1st



Marine Division, was responsible for this last accomplishment, while they maneuvered with the Division displacing 21 times in 3 weeks.

Notable successes, which proved to be combat multipliers, included the Hose Reel System built by Marine engineers from Breach Point West in Kuwait 83 miles into Iraq, the Forward Resuscitative Surgical Support (FRSS) Detachments that maneuvered with the 1st Marine Division, and the integration of our reserve logisticians from 4th FSSG.

The Hose Reel System, a resounding success, was designed to link together fuel bladders within a fuel farm. We engineered it into a pipeline system. Though we had experimented with it in Southern California before deploying, it was an unproven concept never tested greater than a distance of 17 miles. In combat, during the worst sandstorm of the war, engineers from the 6th and 7th Engineer Support Battalions built the first 67 of the eventual 90 mile system from Breach Point West in Kuwait to our Forward Operating Base at Jallibah, Iraq. The Hose Reel System quickly moved over 8 million gallons of fuel forward freeing up fuel trucks to concentrate forward on the fight.

The FSSG's FRSS units, another innovation developed on an experimental basis within the Surgical Companies of our Medical Battalions, were pressed into service for OIF. The small, self-contained, 16-man surgical teams embedded with the Division used two HMMWVs with trailers to transport equipment. The FRSSs placed our critically wounded Marines and Sailors in the hands of trauma surgeons well within the "Golden Hour". Not one Marine or Sailor placed in the hands of the FRSS Teams was lost.

Nearly one-third of 1<sup>st</sup> FSSG's force was comprised of reservists – 4,696 of the 21,316 Marine Reservists who deployed. My Chief of Staff was a Marine reservist. One of three Direct Support Groups was commanded and staffed by 4th FSSG Marine Reserves; a significant portion

of my transportation capability was built around a reserve Motor Transport Battalion; our Military Police Battalion was predominantly Reserve; and the Hose Reel System construction mission mentioned earlier was assigned to the 6th Engineer Support Battalion – a Reserve battalion.

Finally, I would be remiss if I did not acknowledge the successful integration of U.S. Army and Navy units into the 1st FSSG. The 319th Army Medium Truck Company (Packaged Oil and Lubricants – bulk fuel distribution) and the 727th Army Medium Truck Company (Pallet Loading System) were instrumental to our distribution efforts. The 716th Army Military Police Battalion superbly provided route security and force protection. An Army Chemical Company augmented our Nuclear, Biological and Chemical Defense efforts. And last, but not least, the U.S. Navy's Expeditionary Medical Facility 3 linked with our forward medical teams providing indispensable Level III medical care.

#### **Operation IRAQI FREEDOM – Challenges and Shortfalls**

OIF was a logistics war, and the success of I MEF was a testimony to the support and sustainment capabilities of the Marine Corps. However significant our logistics successes, we did experience challenges in our prosecution of the war as a result of some key shortfalls.

Our greatest shortfall during OIF was the lack of in-transit visibility information to incorporate into our command and control effort. The FSSG had large, extended convoys moving hundreds of miles in unsecured terrain supporting Marine forces spread across thousands of square miles in demanding weather conditions. The lack of asset visibility on unit stocks and in-transit visibility on ordered items made it difficult to identify actual shortages, to locate needed items within stocks for reallocation, and to direct and track the movement of ordered

items to requesting units. This lack of visibility resulted in delays, shortages, and at times an inability to expedite critical parts.

Another challenge was the difficulty in passing requisitions to the supporting Theater Support Command for common item support due to the non-compatible supply and warehousing information systems.

The materiel distribution process was cumbersome at best. Containers and pallets that were multi-packed for various units across the services had to be broken down and manually sorted then rebuilt before delivery to the tactical end user and added significantly to the distribution timeline.

Based on our OIF experiences, we are working both near term and long range solutions to the challenges that we experienced.

### **The Near Term Way Ahead**

In preparation for OIF II, we have made a major effort to analyze lessons learned from OIF and are determining how best to apply them in the current operating environment. Included in this effort is participation in the Army's Improvised Explosive Device (IED) Task Force, a joint effort to share the technology, and Tactics, Techniques, and Procedures to counter the IED threat.

We are hardening about 3,000 vehicles for protection from small arms fire and IEDs. We procured advanced body armor for every Marine in Iraq and Afghanistan. Our deploying combat support and combat service support units have completed an extensive combat training course, adhering to our fundamental tenet, "Every Marine a rifleman".

Our single greatest concern as we look beyond OIF II is setting the force for subsequent operations and training. In our preparation for current global operations, the maintenance, repair, or replacement of equipment is our focus; but as we set the force, we also have modernization and transformation in mind.

Department of Defense (DoD) Radio Frequency Identification (RFID). One of our greatest challenges during OIF was visibility of materials and supplies in distribution. A recent initiative to mitigate those challenges is the implementation of RFID.

We are using RFID tags on all sustainment cargo for OIF II and will apply tags and interrogate down to the tactical level. We plan to use RFID technology to obtain visibility to the battalion level and to push "tagged" shipments as far forward as possible. Distribution teams with "interrogators" are established at key nodes in theater to employ RFID visibility to the tactical level. While we are working the initial RFID implementation now, the endstate is full integration into the End-to-End (E2E) distribution process.

Electronic End-to-End Combat Contracting Tools. We continue to refine and to improve processes and technology. I deployed to theater with two Contingency Contracting Teams and in no time, realized these teams were force multipliers. The teams contracted transportation, food service, and maintenance support from the global market place. During OIF, Combat Contracting supported commanders by providing all classes of supply, minus ammunition and personal demand items. From September 2002 to November 2003, Combat Contracting Marines awarded over 2,000 contracts totaling over \$700 million. The adoption of the Battle Ready Contingency Contracting System will provide deployed contracting officers with the ability to support automated contract writing. The system provides the "front end piece" for use by deployed supported units to submit requirements not available through the supply system or Host



Nation Support. The Marine Corps is deploying this capability in support of OIF II. The Battle Ready Contingency Contracting System will provide contracting data into the DoD procurement database for future analysis and contingency planning.

Defense Logistics Agency (DLA) Performance Based Agreement. An agreement between the Director, DLA and the Marine Corps' Deputy Commandant for Installations and Logistics, its focus is to streamline material through the collaborative efforts of the DLA and the Marine Corps. Key parts of the initiative are:

National Inventory Management Strategy (NIMS). DLA has traditionally been a wholesale distributor. NIMS extends DLA's supply chain management functions to the Service-managed retail inventory level. It will replace distinct wholesale and retail inventories with a nationally integrated inventory. It will provide DLA with a much clearer view of immediate stock requirements by replacing redundant levels of management.

Pure Pallet Initiative. During OIF, the Marine Corps realized enormous inefficiencies in processing incoming cargo and trying to distribute it to the proper units. "Pure Pallet" builds Marine Corps sustainment cargo pallets and containers for shipment by air/sea, designated to Marine Corps units within a specific geographic location. The "Pure Pallet" initiative, with RFID application, greatly reduces distribution process time-lines and significantly enhances In-Transit Visibility. The pallets are built at distribution centers with RFID and optical memory card technology that will preclude the need to break down the cargo at various stages in the transportation pipeline and greatly improve In-Transit Visibility.

United States Transportation Command (USTRANSCOM) - Distribution Process Owner (DPO). The Secretary of Defense signed a memorandum in September 2003 designating USTRANSCOM as the Distribution Process Owner (DPO). The DPO is tasked to improve the

overall efficiency and interoperability of DoD distribution related activities – deployment, sustainment and redeployment support during peace and war – and to serve as the single entity to direct and supervise execution of DoD strategic distribution.

As the DPO, USTRANSCOM established a flag-level Distribution Transformation Task Force (DTTF) to champion distribution initiatives and to work distribution issues. We fully support and are actively engaged with the DTTF. In addition to the DTTF, the Marine Corps is represented in the United States Central Command Deployment Distribution Operations Center (CDDOC) to synchronize deployment and distribution, and to optimize strategic and operational capabilities for the combatant commander. The CDDOC (7 of the 63 are Marines) deployed to Southwest Asia in January 2004.

### **Setting the Foundation for the Future**

Achieving our vision for the future of the Marine Corps requires key modernization and transformational programs. Along with our top acquisition priorities, such as the MV-22 Osprey, the Expeditionary Fighting Vehicle, and the Lightweight 155-mm Howitzer, is the Deputy Commandant for Installations and Logistics' number one priority – the Global Combat Support System – Marine Corps (GCSS-MC). It is our foundational effort to move forward with Logistics Modernization and Command and Control efforts.

Logistics Modernization. Our renewed focus on logistics modernization is the cornerstone for improving the overall effectiveness of our MAGTF as an agile, expeditionary force in readiness. The Marine Corps Logistics Operational Architecture is a blueprint of our logistics chain, to include roles, functions, and processes. It defines the future Marine Corps

logistics "techniques and procedures", from the forward edge of the battlefield back. It also provides and defines the requirements for GCSS-MC.

The Logistics Operational Architecture establishes processes and associated system functions for planning, managing and fulfilling MAGTF logistics requirements. These capabilities position the Marine Corps to provide agile, lean, effective, and sustainable forces to the Combatant Commanders. Furthermore, they enable the Marine Corps to reduce its deployment footprint and increase the lethality of our expeditionary MAGTFs.

The Logistics Operational Architecture is based on lessons from academia and best practices from the commercial sector and DoD. We built it around an expeditionary warfare template and developed a set of end-to-end logistics functions – from the supported unit requesting a logistics need to its fulfillment – that span the entire logistics chain, while remaining within the limited bandwidth environment of expeditionary combat operations. The Marine Corps is the first Service to complete a Logistics Operational Architecture that is compliant with the DoD's Business Enterprise architecture, as mandated by the Clinger-Cohen Act.

Global Combat Support System – Marine Corps (GCSS-MC). The heart of logistics modernization is GCSS-MC. Born Joint, it is the Marine Corps member of the overarching GCSS Family of Systems, as identified by the GCSS Capstone Requirements Document and designated by the Joint Requirements Oversight Council. It is a Marine Corps acquisition program that will procure and integrate commercial off-the-shelf software to satisfy the MAGTF and Combatant Commander Joint Task Force information requirements, and support the Marine Corps Logistics Operational Architecture.

The goal of GCSS-MC is to provide modern, deployable Information Technology tools for supported and supporting units. Existing Logistics Information Systems used today are either

not deployable, (mainframe based) or are deployable with limited capability (tethered client server). This forces Commanders to gather critical information manually at a significant cost of manpower and time. GCSS-MC Block I tools will include a web-based portal to provide a single point of entry to request products and services and track fulfillment in a clear, straight forward manner. Block II will focus on logistics command and control and decision support tools to support the Commander's decision-making process.

End-to-End (E2E) Distribution. MAGTF E2E Distribution provides the tactical Marine the methods and tools to seamlessly execute inbound and outbound movements for all classes of supply while maintaining Total Asset Visibility/In-Transit Visibility throughout the distribution pipeline. These capabilities do not currently exist, resulting in unsynchronized and sub-optimized distribution support to the warfighter.

The scope of MAGTF E2E distribution focuses on managing, coordinating and executing the logistics functions of transportation, traffic management, warehousing, inventory control, material handling/packaging, transshipment, inventory site/location analysis, data processing and sharing, Total Asset Visibility/In-Transit Visibility, and flow of information necessary for effective and efficient management of responsive distribution to the operating forces. MAGTF E2E distribution will facilitate the flow of material through the logistics chain, both in deployed and garrison operating environments.

We have established a MAGTF Distribution Center that is the operational link between the strategic/operational distribution network and the battlefield/tactical operating environment. We are also working with the United States Navy to synchronize the distribution process with Navy-Marine Corps logistics integration initiatives.



Naval Logistics Integration (NLI). On 30 July 2003, a Terms of Reference was signed between the Naval Services Logistics Chiefs, in order to coordinate logistics operations in the naval environment. Naval logistics will always operate in support of joint operations and through NLI the Naval Services are striving to better support Combatant Commanders. The Marine Corps' transformation is inherently linked with that of our sister service, the United States Navy. The Navy – Marine Corps Team's transformation encompasses and integrates powerful extensions to current joint capabilities, as well as a range of innovative new capabilities.

The Integrated Naval Logistics Working Group is looking at current capabilities to improve and enhance naval logistics operations with an eye to the future. The group's immediate focus is on the Expeditionary Strike Groups and ways to streamline logistic support to them. Naval forces provide unique and complementary warfighting capabilities from the sea to joint force commanders to enhance deterrence and secure swift and decisive military victory. It is within this backdrop of multi-dimensional joint warfare that the Navy and Marine Corps will integrate Naval logistics.

#### **Maritime Prepositioning Force – Future (MPF-F) and Sea Basing**

The Marine Corps continues to refine plans for the Marine Expeditionary Brigade of 2015. The Analysis of Alternatives for MPF-F, a critical component of Sea Basing, will provide valid choices for achieving Sea Basing capabilities that complement amphibious lift and forcible entry capability. Sea Basing, and by extension MPF-F, is the overarching expression of our shared vision, incorporating the initiatives that will allow the joint force to fully exploit one of this nation's asymmetric advantages - command of the sea.

Sea Basing. Sea Basing describes capabilities that allow naval forces to exploit maneuver space provided by U.S. control of the sea, to include unimpeded mobility and persistent sustainment. Incorporating the complementary characteristics of amphibious, maritime prepositioning, and critical connecting platforms, Sea Base capabilities provide movement without the need for permission or infrastructure and logistics without fixed and vulnerable stockpiles ashore. New Sea Base capabilities include At-Sea Arrival and Assembly, Selective Offload, and Reconstitution at Sea, among others. It can negate or minimize an adversary's anti-access strategy.

Maritime Prepositioning Force – Future (MPF-F). MPF-F will enhance the operational maneuver and sustainability capabilities of a sea-based MAGTF. Unlike any other prepositioning ship, the MPF-F will not rely on a port facility, greatly reducing our dependence on international support and mitigating area denial capabilities of future adversaries. An MPF-F Squadron will be a key enabler for the Enhanced Network Sea Base. It will provide both deployment and employment capabilities to the Naval forces. MPF-F ships will continue to carry equipment and sustainment for embarked forces based on the improved capabilities of Naval logistics.

MPF-F vessels will be able to conduct ship to objective distribution and network-based, automated logistics information to provide in-stride sustainment for maneuvering and fighting naval expeditionary forces. By keeping most of the supplies and support activities at sea, Naval Expeditionary Forces reduce both the vulnerability of logistics operations to enemy attack and allow greater maneuverability of forces ashore and afloat.

Future MAGTF logistics will change as forces operate more from a Naval Sea Base. Responsive distribution processes and supporting Information Technologies across Joint, Naval,

and Marine Corps activities globally is key. The integration of Naval logistics between the Naval Services is a key effort for this significant change leading our logistics into 2010 and beyond.

Sea Based logistics employs logistic tactics, techniques, and procedures that deliver flexible, highly responsive support based on Sea Power-21 to Naval and Joint operations. More fundamentally, it precludes a dependence on robust or extensive Host Nation Support within a Joint Operations Area.

The advancement of the MPF-F and Sea Basing into actual capabilities will bring significant ability to achieve the operational capabilities envisioned in Expeditionary Maneuver Warfare. The Naval Services are developing a viable and scaleable Sea Base that provides joint operational independence.

### **Conclusion**

In conclusion, I would like to again thank the members of the Committee for their continuing support for the Marine Corps, and for the opportunity to address our logistics readiness issues. The young men and women of your Marine Corps, the good stewards of the trust and commitment that this Nation has bestowed on us, are doing an exceptional job in Operation IRAQI FREEDOM II and around the world. Their accomplishments and recent successes are a direct reflection of your continued support and commitment to maintaining our Nation's expeditionary warfighting capability. Your Marine Corps remains a truly expeditionary force in readiness.







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